Public Department (1941) Department

16 SERIES.

G.O. No. 2016

Dated 3rd Nov. 1941.

G.O. on pages 113-117

[Despatch Abstract.]

ACTS AND RULES - Sugar-cane Act - Hospet controlled area - Fixation of price of sugar-cane 1941-42 - Notification - Issued.

Sheet. 11

C. No. Department.

List of records put up

Number.	Date.	Department.	Signature of Clerk putting up the paper.	Signature of Clerk removing the paper
~~10 MS.~~	28 Dev/	6.1.41		
10 WP	278 / Dev/	9.12.39		
	2988 Dev/	9.12.39.		
10 MS.	2185 Dev/	28.11.41.		
	503 Dev/	16-2-41.		

ASSISTANT SECRETARY TO GOVERNMENT
28 JUL 1941
DEVELOPMENT

19988

From:-

The Managing Agent,
India Sugars & Refineries Ltd ,
Hospet.

To.

The Secretary,,
Development Department,
Government of Madras
Madras.

Subject: Sugarcane control rules and fixation of cane prices.

Dear Sir,

I beg to bring the following for your sympathetic consideration:

Hospet has been a sugarcane growing area from time immemorial and has been famous for its gur production . Certain merchants, sowcars and landlords have developed a monopolistic control over the disposal of the whole cane crop, and had the growers under their thumb, and the gur trade entirely in their hands. The position of the cultivator was one of absolute dependence on the above said vested interests. The advent of the factory was not viewed with favour by them on account of the conflict of interests between them and the factory and their attitude was one of persistent hostility towards the factory. They knew full well that it was not to their interests to allow the factory and the cane grower to come together. They also carried on a systematic agitation against the factory ostensibly to protect the ryots from being unconscionably exploited by the factory, and ultimately succeeded in bringing the factory under the operation of the Sugar Cane Act.

Out of the ten sugar factories working in this province our factory has been singled out for being brought under the operation of the Sugar Cane Rules. We submit that there is no justification for this. The rules applied to us now for payment of cane,viz, daily settlement of accounts with suppliers according to the sliding scale based on weekly prices of sugar, is highly impracticable and has got its disadvantages both to the manufacturer and supplier as found by experience. The control will become equitable and tend to develop the industry only if the interests of all parties concerned are safeguarded as is done in other provinces where such control is in force. In comparison to the rules prevailing in other provinces, our rules are defective in the following respects:-

1. Control should be applied uniformly to all the factories in the province to prevent the unhealthy competetion and save the factory from peculiar disadvantages inherent in discriminatory treatment.

2. When a factory is brought under control, adequate supply of cane to the factory should be assured by means of reservation and assignment of areas making it obligatory on the factory and the growers in such areas to enter into contract regarding the sugar cane grown there. The absence of such provision in the rules lead to uncertainity and confusion. Normally though sugar cane is grown on six to eight thousand acres in Hospet and its vicinity, the factory's requirement can be met out of 1500 to 2000 acres. So during years, when the price of gur goes down, there will be a scramble among the grower to supply cane to the factory, but as the factory's requirements are

limited there will be discontent among the growers who will not be able to supply cane to the factory, and such growers resort to agitation. But on the otherhand, if the price of gur goes up, there is the risk of the factory not getting sufficient cane as the sowcars will insist upon the growersto manufacture gur.

3. Both the sugar and cane prices must be controlled by the government. In other provinces where control is in force, a sugar control board is set up for the purpose, consisting of the representatives of the growers, manufacturer and the members of the government, In our case only price of cane is controlled and not that of sugar.

4. In controlled areas the quality of the cane that is supplied to the factory for the manufacture of sugar is safeguarded by the supervision of agricultural operations from sowing to harvesting. In the Hospet area from the sugar manufacturer's point of view, the fundamental principles of cultivation, viz, early sowing, selection of variety cane, and harvesting of cane after twelve months of growth are over-looked. This is mainly due to the fact that cane is grown mostly with a view to the manufacture of gur and the number of persons who grow cane exclusively for supplying to the factory, is few.

5. There must be provision in the rules allowing the manufacturer to make certain reduction in the rate if cane below the standard variety is supplied to the factory. Rigidity in rates and their strict application sometimes lead to very disastrous consequences as happened in Hospet last year. On account of early setting of summer, the quality of the cane deteriorated earlier than normal and it was not paying to the factory to continue crushing operations at the then existing rates with the result

that about 20,000 tons of cane were left undisposed off at the end of the season.

In controlled areas the supply of cane to the factories are effected through the co-operative societies specially organised for the purpose with a view to avoid middle men. In our case the middlemen predominate and are at the root of all agitation taking advantage of the fact that our consumption is only about 25% of the total quantity of cane grown.

The peculiar circumstances prevailing at Hospet coupled with the necessity of working under legislative restrictions, have greatly handicapped the successful working of our factory. In view of what is set forth above, it is humbly prayed that the government be pleased to withdraw all restrictions and if they do not see their way to do that, necessary rules be framed as adverted to above to safeguard the interests of the industry. We are anxious to protect the interests of the grower, holding as we do that his well being is essential for our success. We beg to submit the following alternative proposals in the matter of purchase of cane.

(1) Adopt same mode of payment according to the Notification and schedule in force now, with the sole modification that instead of weekly price of sugar, yearly average be taken into account. This system is adopted by other well established factories in the province and is in consonance with the system recommended by the Central Government. And the better course was to fix a minimum flat rate to be in force through out the season, and at the end of the

-5-

season to have a further payment made to the cultivators in the event of the sugar having been sold at such a price as to yield more than normal profit.

2. As a further assurance ~~for~~ of our good faith and in order that the supplier may get the maximum amount at the time of supply, we are prepared to pay Rs 8/- per ton of sugar cane irrespective of whatever be the selling price of sugar plus a bonus to be paid at the end of the financial year calculated at the rate of six pies per rupee in the price of sugar over and above Rs 240/-.

3. Or to pay to the supplier a flat rate of Rs 8/8/- at the time of supply.

This year as the growers were not able to get any financial assistance either from the sowcars and merchants or from the co-operative soeiety, there has not been proper manuring of crops. The sowing was done late in the year and the majority of the crops grown is ratoon. So the quality of the crop this year will be comparatively inferior and under the circumstances the above proposals should be considered generous and put forward to cultivate the good-will of the cane growers.

It is prayed that the Government be pleased to pass early orders as the crushing season is approaching and the factory has to make its plans from now alone.

Yours faithfully,
For India Sugars & Refineries Ltd

27th July 1941.

V.V. Amalingam.
Managing Agent.

Development Department,
Fort St.George, Madras,
13th August 1941.

My dear Ranganatha Mudaliar,

With reference to our conversation on the 11th about Hospet, I am to say that Mr.Hood will be glad to see you on Monday the 18th instant at 12 noon at the Secretariat, Fort St.George, if it would be convenient to you.

Yours sincerely,

C/C Cash 13 8/4

Sri A.Ranganatha Mudaliar,
C/o Young Men's Indian
Association Buildings
Armenian St., MADRAS.

K.M./13-8.

From

Sri. P. Ramachendra Rao B.A.
President, Ryots Meeting, Hospet.

21995

To Hon'ble
The Second Adviser to His Excellency
The Governor of Madras.
Madras.

Respected Sir,

In submitting herewith the Resolutions of the meeting of the Ryots held on 3-8-41, I request the Government to be kind enough to immediately issue the Draft Notification fixing the minimum price of sugar-cane before the close of Aug 1941, so that the issue of final Notification before the close of September 1941-by which time the Factory season for 41-42 commences- may become possible. This urgent action is necessary in the light of handicaps which the ryots and the Factory equally feel regarding price, and, assurance of supply, respectively, due to late Notification.

I hope, prompt action on other resolutions will also be taken.

P Ramachandra Rao
President

Hospet, Dated 3/6-8-41.

15/8FF

Sugar-cane Growers' Meeting.

The sugar-cane growers of Hospet and surrounding villages met in The Hospet Agricultural Society Building, today the 3rd Aug 1941, under the presidency of Sri. P. Ramachendra Rao B.A. and passed unanimously the following Resolutions: —

1. This meeting while thanking the Government for their latest order are of opinion that there is no case for the modification of the Sugar-cane prices, and request the Government to conform to the original prices published week after week in the Taluk Office under the instructions of-Madra The Director of Industries and Commerce Madras.

2. Inview of the huge loss incurred by the ryots during 40-41 season, which is mostly due to the selfish and delaying tactics of the Sugar Factory, this meeting h..bly requests the Government, to release immediately the draft Notffication of the minimum prices for the approaching season 41-42.

3. It is further resolved that to enforce the provisions of Control and the Sugar-Cane-Acteffectively the Government be pleased to ban the import of sugar-cane by the I.S.R.Ltd from Munirabad (Nizams) or any other area beyond the jurisdiction of the controlled area of the Notification.

4. The minimum price of Rs 7-4-0 on the sugar price of Rs 220/- is very low and uneconomical inview of the cost of production and the price of sugar. This, the ryots have repeatedly brought to the notice of the Government in previous years. This meeting, therefore, humbly address the Government to base the minimum price at Rs 10/- per ton on the sugar price of Rs 220/- and save the poor sugar-cane growers from ruin.

P Ramachandra Rao
President

Hospet, Dated 3-8-41

/True copy/

A. RANGANATHAM
FORMERLY MINISTER
TO THE GOVERNMENT OF MADRAS

BESANT AVENUE
ADYAR, MADRAS

13th Aug. 1941.

21780

Sri
Rao Bahadur

C. P. Karunakara Menon, Avl.,
Secretary,
Development Department,
Fort Saint George,
M A D R A S.

My dear Karunakara Menon,

Ref. your D.O. dated 13-8-41.

I shall gladly meet Mr. Hood at the Secretariate, Ft.St.George, at 12 Noon on the 18th instant.

Yours sincerely,

A Ranganatham

Special

19

Development Department.

Memorandum No. 1977-A/41-1 dated 22-8-41

Sub:- Acts and Rules - Sugarcane Act - Hospet controlled area - Minimum price - Notification.

The Government propose to control the prices of sugar cane paid to the ryots in the Hospet Controlled area in the 1941-42 season. A draft notification (~~based on this suggestion~~) is appended.

The Director of Agriculture is requested to suggest clear definitions of the terms 'foreign varieties' and 'local canes' for inclusion in the draft notification.

2. The Director of Agriculture and the Director of Industries and Commerce are requested to offer their remarks on the rates suggested in respect of sugar prices exceeding (Rs.180/- exclusive of excise duty) ~~Rs.240~~ and any other remarks which they may wish to offer. A reply to this memorandum should be sent not later than 27.8.41 ~~30-8-1941~~.

To the Director of Agre
To the Director of Industries and Commerce

with encl.

Appendix.

Notification.

The following draft of a notification which it is proposed to issue in exercise of the powers conferred by sub-section (2) of section 3 of the Sugarcane Act, 1934, (XV of 1934) in supersession of Dev.Dept.Notification No.31 dated 6-1-1941 published at page 65 of Part I of the Fort St.George Gazette, dated 14-1-1941, is hereby published as required by section 4 of the said Act, for the information of all persons likely to be affected thereby. Notice is hereby given that the draft notification will be taken into consideration on or after the

and that any objection or suggestion with respect thereto which may be received from any person before the date aforesaid will be considered by the Government of Madras. Objections and suggestions should be sent through the Director of Agriculture.

Draft Notification.

In exercise of the powers conferred by sub-section (2) of section 3 of the Sugarcane Act, 1934 (XV of 1934) and in supersession of Dev.Dept.Notification No.31, dated 6-1-1941 published at page 65 of Part I of the Fort St.George Gazette dated 14-1-1941 His Excellency the Governor of Madras is hereby pleased to fix, with effect on and from the date publication of this notification a basic minimum price of sugarcane (all varieties) at Rs.8-0-0 per ton for the purchase in the controlled area of the

the Hospet revenue taluk of the Bellary District, such sugaraane being intended for use in a factory as defined in the said Act and to direct that such price be paid within 15 days after the completion of delivery at the factory:

Provided that when the average price per ton of white sugar (otherwise known as Aska sugar) as determined and notified in the manner explained below exceeds Rs.180/- an amount calculated at 9.6 pies for the foreign varieties of canes and 8.6 pies for local canes, for every rupee by which the average price is in excess of Rs.180/- shall be fully paid in respect of every ton of cane purchased not later than 30th June 1942. The payments to be made for the foreign varieties of canes and local canes shall be as detailed in columns (2) and (3) of the Schedule for the average price per ton of white sugar noted in Column (1) of that Schedule.

Explanation.- (1) The minimum price specified is for delivery of sugarcane at the factory.

(2) The average price of sugar shall be the average price realised on rails at Hospet for one ton of white sugar, excluding excise duty during the period from till 15-6-1942.

(3) The average price of sugar shall be determined and published by the D.I.& C. under his authority at the office of the Tahsildar, Hospet.

Schedule

Price per ton of white sugar. (1) (exclusive of excise duty) Rs.	Foreign varieties of canes. (price per ton) (2) Rs. a. p.	Local canes. (price per ton) (3) Rs. a. p.
180 ~~240~~ and below	8 0 0	8 0 0
181 ~~241~~	8 0 9.6	8 0 8.6
182 ~~242~~	8 1 7.2	8 1 5.2
183 ~~243~~	8 2 4.8	8 2 1.8
184 ~~244~~	8 3 2.4	8 2 10.4
185 ~~245~~	8 4 0	8 3 7
186 ~~246~~	8 4 9.6	8 4 3.6
187 ~~247~~	8 5 7.2	8 5 0.2
188 ~~248~~	8 6 4.8	8 5 8.8
189 ~~249~~	8 7 2.4	8 6 5.4
190 ~~250~~	8 8 0	8 7 2
191 ~~251~~	8 8 9.6	8 7 10.6
192 ~~252~~	8 9 7.2	8 8 7.2
193 ~~253~~	8 10 4.8	8 9 3.8
194 ~~254~~	8 11 2.4	8 10 0.4
195 ~~255~~	8 12 0	8 10 9
196 ~~256~~	8 12 9.6	8 11 5.6
197 ~~257~~	8 13 7.2	8 12 2.2
198 ~~258~~	8 14 4.8	8 12 10.8
199 ~~259~~	8 15 2.4	8 13 7.4
2200 ~~260~~	9 0 0	8 14 4.0
		and so on.

****

C.F. 32.

22953

Department

From (Name) L.B.Green Esq., O.B.E.,

Designation Director of Industries and Commerce.

Station Madras.

Received 26 AUG 1941 Registered

ASSISTANT SECRETARY TO GOVERNMENT DEVELOPMENT DEPARTMENT

To

The Secretary to Government,
Development Department,
Fort Saint George, Madras.

Enclosures:

No. dated 25th August 1941

Sir,

Subject: Acts and Rules - Sugarcane Act - Hospet controlled area - Minimum price - Notification.

Reference: Government Memorandum No.19777-A/41-1 22nd August 1941.

The proposed draft notification introduces a change in the method of payment of cane prices to the ryots. The scheme of payment contemplated in the notification is similar in form to that followed by the Mandya and Nellikuppam factories, whereby an initial payment at a flat basic rate is ensured to the ryots for cane delivered at the factory irrespective of the selling price of sugar at the time and this is followed at the end of the crushing season by an additional payment depending on the average price of sugar during the crushing season. Such a scheme should be welcome to both the factory owners and the ryots, for whilst on the one hand it affords ready part payment of prices to the ryots, it ensures on the other that the total payment made is in accord with the prices realised by the factory during the crushing season.

2. On an examination of the rates suggested in the schedule for local canes, it is found that the increase in the cane price corresponding to an increase of one rupee in the price of sugar exclusive of excise duty, has been based on the same formula as in the previous year, namely $C = \frac{SXP}{200}$ where C is the rate per ton for cane, S = the selling price of sugar per ton – the excise duty (Rs 60 per ton) and P = the percentage recovery adopted as 9. Thus for a rupee rise in the price of sugar, the rise in the price of cane will according to this formula be Re. $\frac{1 \times 9}{200}$ or 9.6 pies as adopted in the proposed Government notification. But the minimum price of Rs 8 per ton allowed for cane is not in conformity with this formula, as according to it the price of cane corresponding to a price of Rs 180/- per ton for sugar exclusive of excise duty should be Rs $\frac{180 \times 9}{200}$ or Rs 8-1-7.2 per ton. On account of a decrease of Re. 0-1-7.2 per ton in the basic minimum rate for cane, the rates following it are uniformly less by this amount than the corresponding rates published last year. The adoption of the proposed rates during the coming crushing season would therefore place the ryots at a disadvantage as compared with the previous year despite the guarantee of a higher minimum price which will be operative only if the price of sugar is less than or equal to Rs 180/- per ton exclusive of excise duty. It is most unlikely, however, that the average price of sugar during the coming crushing season will be so low as Rs 180/- per ton exclusive of excise duty, and the guarantee of a higher minimum price may not thus in actual practice be of any real benefit to the ryots. But in order that the ryots may not have reason to complain that the rates notified this year are lower than those of last year, I suggest that the following rates may be adopted for local canes.

Price per ton of white sugar (exclusive of excise duty).	Local canes (Price per ton) Rs a. p.
Below Rs 180	8--0---0
Rs 180	8--1---7.2
Rs 181	8--2---3.8
Rs 182	8--3---0.4
Rs 183	8--3---9
Rs 184	8--4---5.6
Rs 185	8--5---2.2
Rs 186	8--5--10.8
Rs 187	8--6---7.4
Rs 188	8--7---4
Rs 189	8--8---0.6
Rs 190	8-8---9.2
Rs 191	8--9---5.8
Rs 192	8-10---2.4
Rs 193	8-10--11
Rs 194	8-11---7.6
Rs 195	8-12---4.2
Rs 196	8-13---0.8
Rs 197	8-13---9.4
Rs 198	8-14---6
Rs 199	8-15---2.6
Rs 200 and so on.	8-15--11.2

A

3. As regards the rates proposed for foreign canes, it is found that the increase of 9.6 pies per ton of cane corresponding to a rupee rise in the price of sugar has been based on the formula $C = \frac{S \times P}{200}$ with P the recovery percentage adopted as 10. Thus for S = 1 and P = 10, C = Re. $\frac{1 \times 10}{200}$ or 9.6 pies. Corresponding to a price of Rs 180 per ton of sugar exclusive of excise duty the price of cane according to the above formula with P taken as 10 will be equal to Rs $\frac{180 \times 10}{200}$ or Rs 9 per ton. It is therefore a matter for consideration whether the rates given in the proposed notification for foreign varieties of cane may not be revised so as to ensure a basic minimum price of Rs 9 per ton instead of Rs 8/- per ton. The successive increases in the rates corresponding to each rupee rise in the price of sugar will then be in conformity with the formula adopted for their calculation.

4. In order that there may be no ambiguity in regard to the determination of the average price of sugar realised on rails at Hospet during the crushing season, I consider that it will be desirable to base the calculation of the average price on the details of actual despatches of sugar on rails at Hospet as ascertained from Messrs Volkart Bros., who are the selling agents of Messrs The India Sugars and Refineries Ltd., subject to verification by the auditors Messrs Fraser and Ross at the cost of the company, If Government approve of this course, I shall make arrangements with Messrs Volkart Bros., for the supply of the necessary statistics of despatches of sugar from the factory at Hospet. It will be recalled that Sri V. Ramalingam, Managing Agent of Messrs The India Sugars and Refineries Ltd., contended that the F.O.R.price for sugar should be fixed after deducting selling commission at 1½ per cent and sales tax at ¼ per cent. from the value of the sugar on rails as per invoices, but in their Memorandum No.7400-A/41-6 dated 10th May 1941, Government ruled that these deductions were inadmissible for the purpose of determining the prices realised by the factory with reference to the Government's Notification dated 6th January 1941. If Government are still of this opinion, it may be useful to add a clause to this effect in the proposed notification for this year.

para 1 on p.207 in Lf.

+ P-3899(F)

Director of Industries & Commerce.

Dev. Dept

T.M.

The T.M. has not returned. Please issue the P.C. by spl. messenger to-day

PA
27/8

To

The D.A.

Subject :- Acts & Rules — Sugarcane Act — Hooper controlled area - Minimum price — & Notification

References :- Govt memo. No. 19777 A/41-1 dt 22-8-41.

D 1966

Please expedite your reply to the memo quoted above and say when it may be expected. The matter should be treated as special.

PA
27/8

27/8/41

P.C.

Despd. P.C. by Spl. messenger.

27.8.41.

SPECIAL

29

C.F. 32 (a). -2-

Agricultural Department Received 23462 Registered

From (Name) P.H. Rama Reddi, Esq.,

Designation The Director of Agriculture

Station Fort St. George

3 AUG 1941

ASSISTANT SECRETARY TO GOVERNMENT DEVELOPMENT DEPARTMENT

Enclosures/

No. 756/41-2 dated 30th August 1941

Sir,

Sub: ACTS AND RULES - Sugarcane Act - Hospet controlled area - Minimum price - 1941-42 season- Notification.

Ref: Government Memorandum No. 19777-A/41-1 dated the 22nd August 1941.

=====

I have no remarks to offer on the rates proposed to be notified; they are reasonable.

2. The definitions of the terms 'foreign varieties' and 'local canes' are given below:--

'Local canes' mean the two local varieties, Bilai Kabbu and Hottai Kabbu collectively known as Javari Kabbu.

'Foreign varieties' mean all Coimbatore varieties of cane such as Co. 290, Co. 413, Co. 281, Co. 419, etc. and introduced varieties like POJ. 2878, Fiji B, etc.

35.

3. It is well known that the factory imports a fair amount of cane from His Exalted Highness the Nizam's dominions. The quantity so imported during the last season was about 5,000 tons. When the Hospet and surrounding taluks produce more cane than the factory can crush, its action in purchasing cane from elsewhere works as a great hardship on the ryots who naturally rely on the factory for the disposal of their canes. Some steps should, therefore, be taken to prevent the factory from importing cane from outside the Presidency. In this connection attention is invited to the draft bill submitted in my letter No. C. 276/41 dated the 22nd March 1941.

I have the honour to be,

Sir,

Your most obedient servant,

for DIRECTOR OF AGRICULTURE.

N.R. 30-8.

31

Government of Madras.

Education and Public Health Department.

Post copy of telephonic message dated 4th September 1941.

From the Deputy Secretary to Government,
Education and Public Health Department.

To the Superintendent, Government Press.

The Development Department will be sending separately to the Government Press a Notification under the Sugar-Cane Act, 1934 for publication in an extra-ordinary issue of the Fort St.George Gazette. Please therefore arrange, without fail, to publish the same in an extra-ordinary issue of Gazette on the date specified by the Development Department.

Copy to the Development Department.

(True copy)

Superintendent.

Development Department.

Memo No.19777-A/41 dated 5-9-41.

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Subject: Acts and Rules - Sugarcane Act - Hospet controlled area - Minimum price - Notification.

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Reference: Letter from the D.I.& C. No.nil dated 25-8-41.

Letter from the D.A. C.2 No.756/41 dated 30-8-41.

The Superintendent, Government Press is requested to publish the notification appended to this memo in an extraordinary issue of the Fort St. George Gazette on 5.9.1941 and in the Bellary Dt. Gazette. He is also requested to send 10 copies of the printed notification to Government urgently.

2. The Director of Agriculture, Collector of Bellary is requested to instruct the D.A.O. Revenue staff in the district to bring the contents of the notification to the notice of the ryots in the important sugarcane areas of the Hospet taluk.

3. The D.A. is also requested to submit the objections, if any, with

his remarks so as to reach the Govt. within three days after the last date fixed for receipt of objections.

4. The D.I & C. may determine the average of sugar prices in the best and fairest manner possible.

To the D.A.

Collector of Bellary.

To the S.G.P. - para 1 only.

To the D. I . & C.

Enc. Notifications
Nos. 3-9

Despatched to S.G.P. (by Regd. post) and D.I. & C.
5/9/44

APPENDIX.
Notification.

I

The following draft of a notification which it is proposed to issue in exercise of the powers conferred by sub-section (2) of section 3 of the Sugar-Cane Act, 1934 (XV of 1934) and in supersession of Development Department Notification No.31 dated 6-1-1941 published at page 65 of Part I of the Fort St.George Gazette dated 14-1-1941 is hereby published as required by section 4 of the said Act, for the information of all persons likely to be affected thereby. Notice is hereby given that the draft notification will be taken into consideration on or after the 5th October 1941 and that any objection or suggestion with respect thereto which may be received from any person before the date aforesaid will be considered by the Government of Madras. Objections and suggestions should be sent through the Director of Agriculture.

Draft Notification.

In exercise of the powers conferred by sub-section (2) of section 3 of the Sugar-Cane Act, 1934 (XV of 1934) and in supersession of Development Department Notification No.31 dated 6-1-1941 published at page 65 of Part I of the Fort St. George Gazette dated 14-1-1941, His Excellency the Governor of Madras is hereby pleased to fix, with effect on and from the date of publication of this notification, Rs.8/- per ton as the basic

minimum price for the purchase of sugar-cane (all varieties) in the controlled area of the Hospet revenue taluk of the Bellary district, such sugar-cane being intended for use in a factory as defined in the said Act and to direct that

(i) when the average price per ton of white sugar (otherwise known as Aska sugar) as determined and notified in the manner explained below is below Rs.180/- the minimum price for the purchase of sugar-cane in the controlled area in respect of sugar-cane purchased not later than the 30th June 1942 for use in a factory shall be Rs.8/- per ton;

(ii) when the average price per ton of white sugar as determined and notified in the manner explained below is Rs.180/- the minimum price for the purchase of sugar-cane in the controlled area in respect of sugar-cane purchased not later than the 30th June 1942 for use in a factory shall be Rs.8-1-7.2 per ton; and

(iii) when the average price per ton of white sugar as determined and notified in the manner explained below exceeds Rs.180/- an amount calculated at 9.6 pies for each ton of foreign varieties of cane and 8.6 pies for each ton of local canes for every rupee by which the average price of white sugar is in excess of Rs.180/- shall be fully paid in respect of every ton of foreign varieties of canes or local canes, as the case may be, purchased not later than the 30th June 1942 for use in a factory.

The payments to be made on every ton

of foreign varieties of canes and local canes shall be as detailed in columns (2) and (3) respectively of the Schedule below for the average price per ton of white sugar noted in column (1) of the said Schedule.

Explanation.- (1) The minimum price specified is for delivery of sugar-cane at the factory.

(2) The average price of white sugar shall be the average price realised on rails at Hospet for one ton of white suga excluding excise duty, out inclusive of commission to selling agents and sales tax, during the period from the date of publication of this notification till 15t June 1942.

(3) The average price of white sugar shall be determined and publisned by the D.I.& C. under his authority at the offic of the Tahsildar, Hospet.

Schedule.

S C H E D U L E.

Price per ton of white sugar exclusive of excise duty but inclusive of commission to selling agents and sales tax.	Foreign varieties (all Coimbatore varieties such as CO.290,413,281,419 etc. and introduced varieties like POJ 2878 Fiji B etc.)			Local varieties (Bilai Kabbu and Hottai Kabbu)		
Rs.	Rs.	a.	p.	Rs.	a.	p.
(1)	(2)			(3)		
Below ~~Rs.1800/-~~ 180/-	8	0	0	8	0	0
180	8	1	7.2	8	1	2
181	8	2	4.8	8	2	3.6
182	8	3	2.4	8	3	0.4
183	8	4	0	8	3	9
184	8	4	9.6	8	4	5.6
185	8	5	7.2	8	5	2.2
186	8	6	4.8	8	5	10.8
187	8	7	2.4	8	6	7.4
188	8	8	0.0	8	7	4.0
189	8	8	9.6	8	8	0.6
190	8	9	7.2	8	8	9.2
191	8	10	4.8	8	9	5.8
192	8	11	2.4	8	10	2.4
193	8	12	0	8	10	11
194	8	12	9.6	8	11	7.6
195	8	13	7.2	8	12	4.2
196	8	14	4.8	8	13	0.8
197	8	15	2.4	8	13	9.4
198	9	0	0.0	8	14	6.0
199	9	0	9.6	8	15	2.6
200	9	1	7.2	8	15	11.2
	and so on			and so on		

NOTIFIED

Notification.

In exercise of the powers conferred by section 7 of the Sugar-cane Act, 1934 (XV of 1934) His Excellency the Governor of Madras is hereby pleased to make the following rule:-

Rule.-

Notwithstanding anything contained in rule 8 of the Madras Sugar-cane Rules, 1938, payment for all sugar-cane purchased for a factory in the controlled area of the Hospet revenue taluk during the ensuing sugar-cane purchasing season shall be made as follows:-

(i) the basic minimum price for all sugar-cane purchased shall be paid within 15 days after the completion of delivery of the sugar-cane in the factory; and

(ii) any excess due over and above the basic minimum price shall be paid not later than the 30th June 1942; ~~and~~

~~(iii)~~ whoever commits a breach of this rule shall be punishable with fine not exceeding three hundred rupees and in case of a continuing breach with fine not exceeding fifty rupees for each day during which the breach continues after the first day subject to a maximum of two thousand rupees.

End

No. M-1. [PRICE, 6 *pies*.

THE FORT ST. GEORGE GAZETTE

EXTRAORDINARY

PUBLISHED BY AUTHORITY

No. 9] MADRAS, FRIDAY, SEPTEMBER 5, 1941

DEVELOPMENT DEPARTMENT.

NOTIFICATIONS UNDER THE SUGARCANE ACT.

Fort St. George, September 5, 1941.

Fixation of minimum prices for the purchase of sugarcane in the Hospet controlled area.

No. 608.

The following draft of a notification which it is proposed to issue in exercise of the powers conferred by sub-section (2) of section 3 of the Sugarcane Act, 1934 (XV of 1934), and in supersession of Development Department Notification No. 31, dated 6th January 1941, published at page 65 of Part I of the *Fort St. George Gazette*, dated 14th January 1941, is hereby published as required by section 4 of the said Act, for the information of all persons likely to be affected thereby. Notice is hereby given that the draft notification will be taken into consideration on or after the 5th October 1941 and that any objection or suggestion with respect thereto which may be received from any person before the date aforesaid will be considered by the Government of Madras. Objections and suggestions should be sent through the Director of Agriculture.

DRAFT NOTIFICATION.

In exercise of the powers conferred by sub-section (2) of section 3 of the Sugarcane Act, 1934 (XV of 1934), and in supersession of Development Department Notification No. 31, dated 6th January 1941, published at page 65 of Part I of the *Fort St. George Gazette*, dated 14th January 1941, His Excellency the Governor of Madras is hereby pleased to fix, with effect on and from the date of publication of this notification, Rs. 8 per ton as the basic minimum price for the purchase of sugarcane (all varieties) in the controlled area of the Hospet revenue taluk of the Bellary district, such sugarcane being intended for use in a factory as defined in the said Act and to direct that—

(i) when the average price per ton of white sugar (otherwise known as Aska sugar) as determined and notified in the manner explained below is below Rs. 180 the minimum price for the purchase of sugarcane in the controlled area in respect of sugarcane purchased not later than 30th June 1942 for use in a factory shall be Rs. 8 per ton.

(ii) when the average price per ton of white sugar as determined and notified in the manner explained below is Rs. 180 the minimum price for the purchase of sugarcane in the controlled area in respect of sugarcane purchased not later than the 30th June 1942 for use in a factory shall be Rs. 8-1-7·2 per ton; and

(iii) when the average price per ton of white sugar as determined and notified in the manner explained below exceeds Rs. 180 an amount calculated at 9·6 pies for each ton of foreign varieties of canes and 8·6 pies for each ton of local canes for every rupee by which the average price of white sugar is in excess of Rs. 180 shall be fully paid in respect of every ton of foreign varieties of canes or local canes, as the case may be, purchased not later than the 30th June 1942 for use in a factory.

The payments to be made on every ton of foreign varieties of canes and local canes shall be as detailed in columns (2) and (3) respectively of the Schedule below for the average price per ton of white sugar noted in column (1) of the said schedule.

Explanation.—(1) The minimum price specified is for delivery of sugarcane at the factory.

(2) The average price of white sugar shall be the average price realized on rails at Hospet for one ton of white sugar excluding excise duty, but inclusive of commission to selling agents and sales tax, during the period from the date of publication of this notification till 15th June 1942.

(3) The average price of white sugar shall be determined and published by the Director of Industries and Commerce under his authority at the office of the Tahsildar, Hospet.

44

SCHEDULE.

Price per ton of white sugar exclusive of excise duty but inclusive of commission to selling agents and sales tax.	Foreign varieties (all Coimbatore varieties such as Co. 290, 413, 281, 419, etc., and introduced varieties like POJ 2878; Fiji B, etc.	Local varieties (Bilai Kabbu and Hottai Kabbu).
(1)	(2)	(3)
RS.	RS. A. P.	RS. A. P.
Below—		
180	8 0 0	8 0 0
180	8 1 7·2	8 1 7·2
181	8 2 4·8	8 2 3·8
182	8 3 2·4	8 3 0·4
183	8 4 0	8 3 9
184	8 4 9·6	8 4 5·6
185	8 5 7·2	8 5 2·2
186	8 6 4·8	8 5 10·8
187	8 7 2·4	8 6 7·4
188	8 8 0	8 7 4
189	8 8 9·6	8 8 0·6
190	8 9 7·2	8 8 9·2
191	8 10 4·8	8 9 5·8
192	8 11 2·4	8 10 2·4
193	8 12 0	8 10 11
194	8 12 9·6	8 11 7·6
195	8 13 7·2	8 12 4·2
196	8 14 4·8	8 13 0·8
197	8 15 2·4	8 13 9·4
198	9 0 0	8 14 6
199	9 0 9·6	8 15 2·6
200	9 1 7·2	8 15 11·2
	and so on.	and so on.

Rule regarding payment for sugarcane purchased for a factory in the Hospet controlled area.

No. 609.

In exercise of the powers conferred by section 7 of the Sugarcane Act, 1934 (XV of 1934), His Excellency the Governor of Madras is hereby pleased to make the following rule :—

RULE.

Notwithstanding anything contained in rule 8 of the Madras Sugarcane Rules, 1938, payment for all sugarcane purchased for a factory in the controlled area of the Hospet revenue taluk during the ensuing sugarcane purchasing season shall be made as follows :—

(i) The basic minimum price for all sugarcane purchased shall be paid within fifteen days after the completion of delivery of the sugarcane in the factory ; and

(ii) any excess due over and above the basic minimum price shall be paid not later than the 30th June 1942.

Whoever commits a breach of this rule shall be punishable with fine not exceeding three hundred rupees and in case of a continuing breach with fine not exceeding fifty rupees for each day during which the breach continues after the first day subject to a maximum of two thousand rupees.

C. P. KARUNAKARA MENON,
Secretary to Government.

MADRAS: PRINTED AND PUBLISHED BY THE SUPERINTENDENT, GOVERNMENT PRESS.

G.F 179

GOVERNMENT PRESS,
Mint Buildings,

8th September 1941

Note for the Superintendent,
Development Department, Fort St. George,
24541. A/41 Madras.
9.9.41.

Ref:- Memorandum No. 19777-A/41-4 dated 5-9-41 - Notifications under the sugarcane Act and its rules.

The notifications have been published in the Fort St. George Gazette Extraordinary dated 5-9-41. As the General supplements to all the Dt. Gazettes have since been abolished as per G.O. No. 1233, Revenue, dated 29-5-41, the original manuscripts are herewith returned without being published in the Bellary Dt. Gazette.

for Superintendent.

SD

Encls 3 Sheets.

41

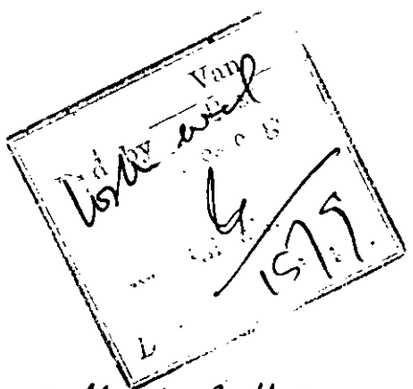
Dev. Dept.

Memo. No. 19777 A/41. 5 dt 15.9.41

Subject:- Acts & Rules. Sugarcane Act - Hospet Controlled area - Minimum price - Notification

The Collr. of Bellary is requested to republish the enclosed notification in a special supplement to the Bellary Dist. gazette. ~~The enclosed notifications.~~

Rp 43-44 ex.



15/9/41.
1579/41

To The Collr. of Bellary.

with a copy of the Fort St. George gazette Extraordinary dt 5.9.41.

Andhra Patrica dated 13-9-1941.

...

(Hospet sugar) Expressing gratification at the (decision of the Government of Madras to fix a minimum rate for sugar-cane in Hospet taluk, the Andhra Patrica makes the following remarks:--

We cannot say that the method adopted by the Government for fixing a price for sugar-cane is sound.xxx They should have fixed the minimum rate at Rs.10/-. Reduction of the price now to Rs.8/- causes severe hardship to the sugarcane grower. Even the Government of India had fixed the protective duty as well as the excise duty on sugar, thinking that a ton of sugar-cane would fetch Rs.10/-. The rate fixed by the Government of Madras now is lower than that.xxx If the Government think that sugar factories cannot pay the minimum rate to the grower, they may advise them to manufacture power alcohol and thereby increase their income. Or they may make a contribution from the excise revenue they are getting from those factories and enable the grower to get a proper price.xxx

V S. R
17. 9. 41

ASSISTANT SECRETARY TO GOVERNMENT
17 SEP 1941
DEVELOPMENT DEPARTMENT

25385

Pub(Press)U.O.1175-1Jd
dt 17. 9. 41

Development Department U.O.

Dev. Dept

Submitted for perusal. May be added to the main file.

1769.

From

J.Chandrappa,
Ryot Association, Kamalapur, Hospet Tq.,

To

26504

H.M.Heed I.C.S.,
2nd Adviser to the Govt. of Madras,

Through

The Director of Agriculture, Madras.

Honoured Sir,

Thanking the Government for releasing the draft notification for fixation of Minimum prices of Sugarcane in the Hospet controlled area early, I the undersigned enclose herewith, the proceedings of the Meeting of the Ryot Association, for your kind perusal and consideration.

I humbly request that the grievances of the Sugarcane growers be redressed, by passing immediate favourable orders for which act of kindness I and the ryots shall ever remain grateful.

Kamalapur,
Dated 20-9-'41.

I beg to remain,
Honoured Sir,
Your most obedient servant,
J. Chandrappa
President

True Copy

PROCEEDINGS OF THE MEETING OF THE RYOTS ASSOCIATION OF KAMALAPUR (Hospet)

The Sugarcane growers of Kamalapur section, who have been supplying about 10000 tons (i.e. very nearly 1/4 of the requirements of the Factory) for the last 4 years, held a meeting on 20-9-'41 under the presidency of Sri.J.Chendrappa, to consider the draft Notification No.608 dated 5-9-'41, proposing to fix Rs.8/- as basic minimum price when the sugar price per ton remains Rs.180/- and below, and an additional amount calculated at 9.6 and 8.6 pies respectively per each ton of foreign and local varieties, for every rupee by which the average price per ton of sugar is in excess of Rs.180/-.

The following resolutions were passed requesting the president to submit them immediately to the Government for favourable orders.

Resolutions.

1.(a) The cane growers are of opinion that the Minimum basic price of cane, now proposed by Government is very disappointing and low; it comes to the same as published last year. The Government is requested to take figures showing the average cost of production submitted by the Cane growers of this province, as climatic and labour conditions here are entirely different from that of C.P., U.P., or Bengal.

(b) The cane growers request the Government (i) to raised the basic Minimum price from Rupees 8/- to atleast Rs.9/- per ton. (ii) to give gradation on the sale price of sugar ; i.e. to include the excise duty to the Sugar price and fix the Minimum basic price, on Rs.240/- instead of Rs.180/-

2. The cane growers pray to the Government to give protection to their crops by prohibiting import of cane from Nizam Province by the Factory. They humbly suggest that steps under section 3 (3) of the Act may be taken for the present; and meanwhile the Government of India be requested to make necessary amendment in the Act for the above purpose.

P. T. O.

3. The Government is further requested to advocate means by which every cane supplier might know easily the correct weighment of his cane (Cane-cart); and the average sale price of sugar from the date of Notification to the date of Final settlement of bills.

J. Chandrappa.
President

Copies submitted to:

1. The Director of Agriculture, Madras.
2. The Registrar of Co-operatives, Madras.

53

29 SEP 1941

Hospet,

To
The Director of Agriculture,
Madras.

26523-M/41
30. 9-41.

Honoured Sir,

A special meeting of the ryots of Hospet area specially Cane Growers was called for on the 17th instant in the Traveller's Bungalow, Hospet under the immediate presence of the Director of Agriculture, Madras and the Registrar of Co-operative Societies, Madras who were specially camping here for the purpose. All most all the ryots including us were present at the meeting. Important matters such as fixation of minimum price of sugarcane and the delivery of cane to the factory including the recent draft Government Notification were discussed at length. Different views were expressed by both the Director and Registrar on one hand and the ryots on the other. We were not let known what exactly it was resolved that was recorded.

2 It was proposed there at the meeting that all the supply of cane to the sugar factory should be done through the Hospet Loan & Sales Society. We the undersigned ryots while agreeing to the views expressed at the meeting beg to bring to your kind notice the following:

3 We had been receiving a lot of help at all times from our accredited agent who has been giving us financial assistance from the past so many generations. Now to join the course of supplying our cane to him through one agency amongst to our severation from our creditor to whom we are heavily indebted. Unless the Sales Society takes up the step before hand to release us from the obligations of the creditor supply of our cane through Sales Society may be a factor of injustice.

4 Moreover as a matter of course, the existing members of the Sales Society will be having the preferential claim in this control of cane supply to the factory. Now since the Government are going to fix the minimum price of sugar cane, our major portion of

41

difficulties is solved and it is only the question of arrangements for delivery of cane and the xxx quality of such cane to be supplied is to be mainly considered.

We beg to request authorities to kindly consider all our above grievances and see that we supply cane through our sowcars.

We beg to remain,
Honoured Sir,
Yours obediently,

Copy to :

1. The Secretary to the Government of [illegible],
   Development Department, Madras.

2. The Registrar of
   the Co-operative Societies,
   Madras.

57

D.O.No.844/41-C.

Office of the Registrar of Co-operative Societies, Madras, 1st Octr. 1941.

27172

My dear Karunakara Menon,

Sub: Fixation of minimum price for sugar-cane in Hospet.

Before leaving for Hospet, you wanted me to examine, unobtrusively, in my camp the reactions of the sugar-cane growers and the factory to the draft notification published in the Fort St. George Gazette dated 5th September 1941, regarding the fixation of minimum prices for the purchase of sugar-cane in the Hospet controlled area. The Director of Agriculture and I met the sugar-cane growers and the President of the Ryots' Association at an informal conference on the 17th and 18th September 1941. After discussing the problem with the President of the local central bank and the Managing Director of the factory we attended a meeting of the sugar-cane growers and placed before them certain suggestions calculated to tide over the difficulties of the cane growers and bring harmony between them and the factory. The suggestions made were as follows:

(1) The sugar-cane Act did not prohibit import of sugar-cane from outside. There was, however, another provision in the Act according to which the Local Government could declare a particular person as a licensed dealer in the controlled area, and that it would be easy to make the Hospet Sale society as the only licensed dealer.

(2) The factory normally required 40 thousand tons of cane for crushing during the season beginning from November to 15th of March. The sale society should be made the only organisation through which those sugar-cane growers, who were members of a Co-operative Society could sell their cane to the factory.

(3) The sale society would enter into a contract with the factory, say, for a period of 5 years, for a guaranteed supply of sugar-cane. To ensure the supply to the factory, the by-laws of the society would be amended providing for the imposition of a penalty of Rs 25/- to 30/- per ton if any member failed to sell the produce through the sale society.

(4) Only first-year ratoons would be accepted by the sale society. But the special committee to be appointed by the Registrar to manage the affairs of the superseded sugar-cane growers' society would arrange to solve the difficulties for this year, in respect of other ratoon, by negotiating with the factory.

(5) Cultivation expenses for sugar-cane should be obtained only from the Hospet Sugar-cane growers' co-operative society. No outside financing would be permitted. Even if loans were not taken by the members from the society, the produce should still be sold by them through the sale society only.

(6) The matter of increasing the credit limit for each borrower from Rs 5,000/- to Rs 10,000/- in the Hospet Land Mortgage Bank in special cases for the purpose of liquidating prior debts would be considered for this area.

(7) The prices to be fixed for sugar-cane from time to time, say, once a month, will be decided by a Committee of.

three, consisting of the Sub-Collector, Hospet, the District Agricultural Officer, Bellary, and the Deputy Registrar of Co-operative Societies, Anantapur.

2 After discussion at great length, it was decided that the ryots should again meet and communicate their decision the next day. The ryots met on 19-9-41, considered the proposed scheme and resolved to work it on the lines suggested at the previous days' discussions. A copy of the resolution passed at the meeting of the ryots held on 19-9-41 together with a copy of the memorandum of representations is enclosed. The suggestions of the cane growers to fix the minimum price of sugar-cane at Rs 10/- a ton and to include in the price of cane the excise duty on sugar, need not be accepted, as the rates notified by Government are reasonable and fair, and the ryots seem to have put it in merely as a sort of make-weight. However, the request of the cane growers that in determining the average price, the price of sugar sold at the Hospet Bazaar should be taken into consideration along with the F.O.R. Hospet rate would be advantageous to the ryots and may be agreed to. The Factory did not seem to oppose this request. As for the suggestion that no cane from outside the controlled area should be supplied to the Factory, there is no need for such a restriction. The factory authorities are apparently agreeable to purchase from the sale society 30,000 tons of cane, that is 75% of the total quantity of cane, required by the factory in a season. The sale society will be entering into an agreement with the Factory for a period of five years for the supply of 30,000 tons of cane every season and if this is done, there will be no need to prohibit the factory from purchasing cane from outside the controlled area. To enable the society to keep this contract with the factory it will be necessary to insist on all the members of the society selling their cane through it. The ryots are willing to supply their cane to the factory through the society, but to ensure that they keep this promise the by-laws of the society will be amended providing for the levy of a penalty of Rs 25/- to Rs 30/- for every ton of cane sold otherwise. The members will also be prohibited under the by-laws from taking any loans from sources other than the sugar-cane growers' co-operative society for cultivation expenses. The President of the Local Central Bank who was present at the discussions had no objection to finance the society to the extent required for the financing the cane growers. Regarding the supply of ratoon, the special committee appointed to manage the society will negotiate with the factory and settle the matter. The cane growers have requested that payment for the supply of cane for every week ending with Sunday may be made on the following Wednesday, the amount to be paid being the minimum price fixed by the Arbitration Committee together with approximately half the average in the increase above the minimum price or the price fixed by the Committee plus Re 1/-. The suggestion that payment should not be delayed till 15 days after the date of supply but be made on the following Wednesday may be accepted. In fact, under old rule 8(1), payments should be made within 24 hours of the time of delivery if so desired by the supplier. The authorities of the factory, whom I consulted, have no objection to the payment being made within 24 hours of the time of supply. The suggestion of the cane growers may, therefore, be accepted. But this need apply only to the payment of the basic minimum price, any excess due over and above this price may be paid before 30th June 1942 as provided in the draft notification. As for the fixation of the minimum price, the ryots readily agreed to any suggestion that it should be done by a special Committee consisting of the Sub-Collector, Hospet, the District Agricultural Officer, Bellary, and the Deputy

Registrar, Anantapur. This may be agreed to; a somewhat similar procedure is now working successfully at Tiruppur regarding the sale price of guaranteed cotton seed. Their suggestion that the price should be fixed once every fortnight cannot be accepted as it may not be practicable for the officers to meet together so frequently; it may be sufficient if the price is fixed once in every month.

3 I believe that if the arrangements suggested above are properly worked, much of the present difficulties of the ryots in the area would disappear.

Yours sincerely,

S. A. Venkataraman

Sri Rao Bahadur
C.P. Karunakara Menon,
Secretary to Government,
Development Department,
Fort. St.George, Madras.

I

Meeting of the Ryots held on 19-9-41 in the premises of the Hospet Co-operative Loan & Sale society with Sri P.Ramachandra Rao, (President, Ryots' Association) presiding.

In the light of discussions we had with the Director of Agriculture, and the Registrar of Co-operative Societies on 17-9-41 and 13-9-41 and some of our objections and doubts having been heard and cleared the said Officers made us understand that they would be proposing a new scheme capable of solving many of the outstanding problems of both the ryots and the Factory.

On their assurance that the scheme would be good in the interests of all concerned, we with full confidence in the Government adopt the following resolution and submit them as per their directions.

Resolutions.

1. With confidence in the Government that they will not let down the interests of the ryots and as per their (above officers) advice we agree to work the proposed scheme.

2.(a) We request the Government to kindly take into consideration the points we have herewith submitted while framing or drafting the scheme.

(b) We request that a copy of the Draft Scheme may kindly be sent to our President for our information.

II ----

Memorandum of further representations, after the informal Conference on 17-9-41 with the Director of Agriculture and the Registrar of Co-operative Societies, Madras, during their camp at Hospet, on the fixation of minimum price for cane in Hospet controlled area and some other allied matters.

---

1. Basic price.

B We request the Government to raise the basic price to Rs 10/- from Rs 8/- as it is lo

2. Recovery.

In the above conference it was stated that the recovery in this factory was below 10%. This is due to the reason that cane supplied from outside the controlled area (Munirabad Nizam's) was immature, burnt and stale which was mixed up with our local supply. As regards supply fro Nizam's usually 3 days time is taken from the time the cane is cut and the same delivered at the factory on rails.

3. Automatic Weighbridges.

We request the Government to order to put up automatic weigh bridges to avoid troubles.

4. Restriction of area of supply.

We request the Government to see that no cane from outside the controlled Area is supplied to the factory.

5. Medium of supply.

Ryots are willing to supply their cane to the factory through

the Agency of the Loan & Sale co-operative society Ltd., Hospet.

6. Identity tickets:

All the identity tickets may kindly be ordered to bear the seal of the Government.

7. Commencement of supply:

It would be difficult to get cane from the interior fields except those adjoining the roads or cart tracts due to the presence of standing paddy crop. Hence regular supply may not be possible for from November this year. However we will earnestly try out best to supply as much as possible in November. But we will try to make proper arrangements to supply cane regularly from November for coming years.

8. Rattoon Crop.

It is requested that the restriction of one year ratoon be not enforced this year. But the same may be enforced from next year.

9. Payment:

(a) We request that the payment for the supply of cane for the week (ending with Sunday) may be made on every following Wednesday.

(b) The amount to be paid being:-

(i) The minimum price fixed by the Arbitration Committee together with approximately half the average in the increase above the minimum price

ii. The price fixed by the Committee plus one Re.

10. We agree to the formation of the Arbitration Committee consisting of (1) Sub-Collector, Hospet. (2) District Agricultural Officer, and (3) Deputy Registrar of Co-operative Societies, with adequate powers to dea with any difference that may arise between the supplier and the purchaser and to meet every fortnight at Hospet to fix the minimum price of cane for that period.

11. Excise duty. The price of sugar be taken into consideration inclusive of Excise duty for noting the sugar price as last year.

12. 5 years scheme.

On your advice we agree to work the scheme as proposed and explained by you for5 years from this year.

13. Average price of sugar.

In the determination of the average price of sugar the price of sugar sold to the Hospet Bazaar along with that of the F.O.R. Hospet rate also be taken into consideration.

14. Supply of quota: The proportionate allotment of 75% of supply of cane by the society for the season may also be kindly extended with regard to the daily supply.

15. Demonstration :- We request the Government to put up demonstration plots to teach the ryots economic methods of cultivation and to popularise new varities capable of better yield. We are willing to lease out the required acreage for demonstration purposes

C.F. 32.

In reply, please quote number, date and short title.*

AGRICULTURAL DEPARTMENT.

Received 8 OCT 1941 Registered 27552

From (Name) D.H.RAMA REDDI ESQ., I.A.S.,

(Designation) Director of Agriculture.

Post Box 412, (Station) Triplicane, Madras.

Telegraphic Address

To

The Secretary to Government,
Development Department.

C.2. *No.* 756-41, *dated* 6th October 1941.

Sir,

*

Sub: Sugarcane Act - Hospet Controlled area - Minimum price - Notification.

Ref: Government Memorandum No.19777 A/41-4 dated 5th September 1941.

ENCLOSURES

#633-34 above

SPARE COPIES

At a meeting of the Sugarcane Growers and representatives of the sugar factory held at Hospet on the 17th September 1941 at the instance of the Registrar of Co-operative Societies and myself, the objections and suggestions put forward by the President, Ryots Association, Hospet in his note dated the 17th September and a supplementary note of the same date were fully discussed in our presence. The tentative conclusions arrived at this meeting were further discussed by the Sugarcane Growers at a subsequent meeting held on the 19th September and the decisions arrived at are found in the memorandum dated the 23rd September 1941 and the minutes of the meeting of the same date received from the President, Ryots Association. All these papers and the letter of the President, Kamalapuram Ryots' Association dated 20th September 1941 containing certain suggestions are enclosed.

2. As far as the price in the draft notification published in the memorandum quoted above is concerned, the Hospet Ryots suggested that the basic price of Rs.8/- should be raised to Rs.10/- per ton, while the Kamalapuram Ryots would have it as Rs.9/- per ton.

The rate notified by Government is fair and I am not in favour of increasing the basic price as long as it is only a minimum. There should be no objection, if the cultivators could combine and secure from the factory more than the minimum by proper organisation. I therefore recommend that the rate already notified may be confirmed.

3. The suggestion of the ryots that the excise duty on Sugar payable by the factory, should not be taken into account in calculating the price of cane may be ignored, as it is unreasonable.

4. The third suggestion that in calculating the average price of sugar, the rate at which sugar is sold in the local bazaar also should be taken into account along with the F.O.R. rates, I would suggest that the average between the local bazaar wholesale rate and the F.O.R rate be adopted, such average being determined by the Director of Industries and Commerce. In that event, clause (2) of the

Or b/...

Explanation in the Draft Notification be deleted and clause (3) renumbered as clause (2) and modified as under;--

"(2) The average price of white sugar shall be the price for one ton of white sugar excluding excise duty but inclusive of commission to selling agents and sales tax, as determined and published by the Director of Industries and Commerce under his authority at the office of the Tahsildar, Hospet, during the period from the date of publication of this notification till 15th June 1942."

5. The next suggestion is with reference to the rule published with the memorandum quoted above, fixing a time limit of 15 days within which to pay for all cane purchases. The suggestion of the ryots is that payment should be made for every week's delivery viz., week ending Sunday purchases to be paid for in the following Wednesday. In this connection attention is invited to Rule 8(1) of the Madras Sugarcane Rules 1938 which lays down that all payments for sugarcane purchased for a sugar factory shall be made at the purchasing centre within 24 hours of weighment if so demanded by the vendor. The present rule aims at the completion of delivery instead of weighment, for the season 1941-42 only. I would recommend the request of the ryots and suggest the following draft amendment to the new Rule Clause (1):-

"The basic minimum price for all sugarcane purchased in a week ending Saturday shall be generally paid not later than Wednesday of the succeeding week and in any case within ten days after completion of delivery of sugarcane to the factory."

6. I am not in favour of the suggestion to pay immediately the excess over and above the basic minimum price. The time fixed in the Rule viz., 30th June 1942 is fair and no change is called for.

7. The other points raised by the ryots are not pertinent to the notification under reply and I am not therefore commenting on them. In consultation with the Registrar of Co-operative Societies I am drawing up a gist of the decisions arrived at (including those mentioned in the preceeding paragraphs) in respect of the representations and shall communicate the same to the ryots and the factory management for their joint consent.

I have the honour to be,
Sir,
Your most obedient servant,

for DIRECTOR OF AGRICULTURE.

S.G.7-10-P.

The following are the oojections and suggestions -- tendered by the cane ryots to the Director of Agriculture, Madras, and the Registrar of Co-operative Societies, Madras, during their camp at Hospet on 17th September 1941 on the Draft Notification of the Government of Madras, dated 5th September 1941 on the question of fixation of minimum price for sugarcane for 1941-42 season.

---

1. We do not see any material improvement in the proposed basic rate of Rs.8/- when the sugar price is Rs.180/- on the -- basic rate notified last year; and so this basic rate of Rs.8/- is not in the economic interest of the cane ryot.

2. The method of fixing the minimum price after deducting the duty from the price of the sugar realized, goes against the interest of the ryot. The ryot has nothing to do with the duty.

3. The system of waiting for payments of any small -- excess over and above the basic minimum price of only Rs.8/- in June of 1942 is undesirable for a needy ryot, who is to settle his accounts with more than one individual soon after he clears out his cane crop from the land. Payment within two days after the completion of supply in full settlement of his dues and in one lump will alone help the ryot.

4. The principle of fixing the minimum price should always be based on the cost of production, a return to the cultivator for his hard annual labour, and also a share in the rise of price of sugar. Therefore we request the Government to adopt only definite scheme or method of calculation conforming to the abovesaid principle in arriving at a fair economic price which is the crux of the problem.

5. (a) The condition (i) under rules in the present draft notification works very hard against the ryots. For the supoliers of hundreds of tons of cane a time of more than 3 to 4 weeks is necessary considering the location of the field. And to wait for another 15 days after the completion of supply is sheer injustice inflicted on the ryot.

(b) As such the old Rule 8 (i) under head 'payments' that payments if desired by the suppliers should be made within 24 hours after weighment, should be retained.

6. We therefore pray the Government to be pleased to:

(i) adopt a basic price of at least Rs.10/- at Rs.220/- the sugar price;

(ii) give a share in the rise of price of sugar;

(iii) give in the alternative, a flat rate of Rs.12-8-0;

(iv) clear the points, the average price realized on rails at Hospet, raised in the Explanation No.2 of the present Draft Notification; and the average price to be determined and published by the Director of Industries raised in Explanation No. 3; and

(v) to adopt measures conducive to the interest of both the ryot and the Factory in order to bring good relations between them.

MEMORANDUM OF ADDITIONAL REQUESTS ON LAST YEAR'S TROUBLES.

---

1. Request the Government to issue a definite declaration prohibiting the importation of cane from Munirabad of (Nizams).

2. Last year full payments against supplies were not made in conformity with the rates notified in the Hospet Taluk Office. Further in all payments made by the Factory the intermittant fives in the rise of price of sugar have been left out of consideration - vide our petition dated 18-6-1941.

Note.- For the week ending 2-3-1941 the notified price of sugar was Rs.269-14-10. But the Factory has paid on a price of only Rs.265/- This difference may kindly be ordered to be paid.

3. Due to the sudden stoppage of the Factory last year, though there was an assured supply of 2000/- acres, the ryot finding no other way out, had to burn the entire cane crop and thus - sustain heavy loss.

Hence a compensatory payment against this loss may kindly be ordered.

4. Last year Identity Tickets for supply were issued in large numbers in the name of members of sugar cane growers society attached to the factory, not only with the intention of putting private ryots to troubles; but also with the motive of adjusting the overdue accounts of the said society members, to make up sums over and above their own actual supply; and to increase also the share capital of the society by drawing in pressure on fresh -- members. Justice may be done in the cases.

5. The sugarcane growers society attached to the factory not only failed to serve the object intended of it, but being dominated by the factory employees proved a handle against the ryots interests. Hence it is desirable to prevent abuse of the society.

6. Payments of the difference, between the actual payments made by the Factory by now, and the originally notified rates week after week in the Hospet Taluk Office, may kindly be ordered forthwith.

LSR.7.x.a.

Same as II on pp 61-62 above

Memorandum of further representations, after the informal Conference on 17-9-41 with the Director of Agriculture and the Registrar of Co-operative Societies, Madras during their camp at Hospet on the fixation of minimum price for cane in Hospet Controlled area and some other allied matters.

2. Basic Price. We request the Government to raise the basic price to Rs. 10/- from Rs. 8/- as it is low.

2. Recovery.- In the above conference it was stated that the recovery in this factory was below 10%. This is due to the reason that cane supplied from outside the controlled area (Munirabad-Nizam's) was immature, burnt and stale which was mixed up with our local supply. As regards supply from Nizam's usually 3 days time is taken from the time the cane is cut and the same delivered at the factory on rails.

3. Automatic Weighbridges.

We request the Government to order to put up automatic weigh bridges to avoid troubles.

4. Restriction of Area of supply.

We request the Government to see that no cane from outside the Controlled Area is supplied to the factory.

5. Medium of Supply:

Ryots are willing to supply their cane to the factory through the Agency of the Loan & Sale Co-operative Society Ltd., Hospet.

6. Identity Tickets:

All the identity tickets may kindly be ordered to bear the seal of the Government.

7. Commencement of supply.

It would be difficult to get cane from the interior fields except those adjoining the roads for cart tracts due to the presence of standing paddy crop. Hence regular supply may not be possible from November this year. However we will earnestly try our best to supply as much as possible in November. But we will try to make proper arrangements to supply cane regularly from November for coming years.

8. Rattoon Crop.

It is requested that the restriction of one year rattoon be not enforced this year. But the same may be enforced from next year.

9. Payment.

(a). We request that the payment for the supply of cane for the week ending may be made on every following Wednesday.

(b). The amount to be paid being:--

(i). The minimum price fixed by the Arbitration Committee together with approximately half the average in the increase above the minimum price

or

(ii).

(ii). The price fixed by the Committee plus one Rupee.

10. We agree to the formation of the Arbitration Committee consisting of (1) Sub Collector, Hospet; (2) District Agricultural Officer and (3) Deputy Registrar of Co-operative Societies with adequate powers to deal with any difference that may arise between the supplier and the purchaser and to meet every fortnight at Hospet to fix the minimum price of cane for that period.

al

Excise Duty.

11. The price of sugar be taken into consideration inclusive of Excise duty for noting the sugar price as last year.

12. 5 years' scheme.

On your advice we agree to work the scheme as proposed and explained by you for 5 years from this year.

13. Average price of sugar:

In the determination of the average price of sugar the price of sugar sold to the Hospet Bazaar along with that of the F.O.R. Hospet rate also be taken into consideration.

14. Pro-rata supply of quota:

The proportionate allotment of 75% of supply of cane by the Society for the season, may also be kindly extended with regard to the daily supply.

15. Demonstration:

We request the Government to put up demonstration plots to teach the ryots economic methods of cultivation and to popularise new varieties capable of better yield. We are willing to lease out the required acreage for demonstration purposes.

Same as I above

69

Meeting of the Ryots held on 19-9-1941in the premises of the Hospet Cooperative Loan & Sale Society Hospet with Sri P. Ramachandra Rao (President, Ryots' Association) Presiding.

In the light of discussions we had with the Director of Agriculture and the Registrar of Cooperative Societies on 17-9-1941 and 18-9-1941 and some of our objections and doubts having been heard and cleared the said Officers made us understand that they would be proposing a new scheme capable of solving many of the outstanding problems of both the ryots and the factory.

On their assurance that the scheme would be good in the interests of all concerned, we with full confidence in the Government adopt the following resolutions and submit them as per their directions.

RESOLUTIONS:

1. With confidence in the Government that they will not let down the interests of the ryots and as per their (above Officers) advice we agree to work the proposed scheme.

2. (a) We request the Government to kindly take into consideration the points we have herewith submitted while framing or drafting the scheme.

(b) We request that a copy of the Draft Scheme may kindly be sent to our President for our information.

(Free Translation)

Hospet
D/ 23-9-1941

PRESIDENT.

(True Copy)

Same as page 49-52 above

Copy of letter dated 20-9-1941 from J.Chandrappa (President) Ryots' Association, Kamalapur, Hospet Taulk., to H.M. Hood Esq., I.C.S., 2nd Adviser to the Government of Madras, through the Director of Agriculture, Madras.

63-64 above

Thanking the Government for releasing the draft notification for fixation of minimum prices of sugarcane in the Hospet controlled area early, I, the undersigned, enclose herewith the proceedings of the meeting of the Ryot Association for your kind perusal and consideration.

I humbly request that the grievances of the Sugarcane Growers be redressed by passing immediate favourable orders for which act of kindness I and the Ryots shall ever remain grateful.

*****

(P.T.O.)

a.

PROCEEDINGS OF THE MEETING OF THE RYOTS ASSOCIATION OF KAMALAPUR (Hospet)

The Sugarcane Growers of Kamalapur section, who have been supplying about 10,000 tons (i.e. very nearly 1/4 of the requirements of the Factory) for the last 4 years, held a meeting on 20-9-1941 under the Presidency of Sri J. Chandrappa to consider the draft Notification No. 608 dated 5-9-1941 proposing to fix Rs 8/- as basic minimum price when the sugar price per ton remains Rs 180/- and below, and an additional amount calculated at 9.6 and 8.6 pies respectively per each ton of foreign and local varieties for every rupee by which the average price per ton of sugar is in excess of Rs 180/-

The following resolutions were passed requesting the President to submit them immediately to the Government for favourable orders.

RESOLUTIONS

(a) The cane growers are of opinion that the minimum basic price of cane now proposed by Government is very disappointing and low; it comes to the same as published last year. The Government is requested to take figures showing the average cost of production submitted by the Cane growers of this Province into consideration as climatic and labour conditions here are entirely different from that of C.P., U.P. or Bengal.

(b) The cane growers request the Government (i) to raise the basic minimum price from Rupees Eight to at least Rs 9/- per ton; (ii) to give gradation on the sale price of sugar, i.e., to include the excise duty to the Sugar price and fix the minimum basic price on Rs 240/. instead of Rs 180/-.

2. The cane growers pray to the Government to give protection to their crops by prohibiting import of cane from Nizam Province by the Factory. They humbly suggest that steps under section 3(3) of the Act may be taken for the present; and meanwhile the Government of India be requested to make necessary amendment in the Act for the above purpose.

3. The Government is further requested to advocate means, by which every cane supplier might know easily, the correct weighment of his cane (cane-cart); and the average sale price of sugar from the date of Notification to the date of Final settlement of bills.

PRESIDENT

Copies submitted to:

1. The Director of Agriculture, Madras.
2. The Registrar of Cooperative Societies. Madras.

*****

(True copy)

.. ...)

ks/7.x.p.

7.10

Dev. Dept.

Express Telegram.

To

Sugars,
Hospet.

Please wire approx. to date when current years' crushing season begins.

Devt. ment.

8/9/10

Dcfd.
9.10.41.

P.A.
9/10/41

9/X/10

P.C.
Dupd.
9/10/41.

13

O.F. 32.

In reply, please quote number, date and short title.

AGRICULTURE DEPARTMENT.

Received 11 OCT 1941 Registered 21583

From (Name) P. THENRAMA REDDI, ESQ., I.A.S.,

(Designation) Director of Agriculture,

Post Box ....., (Station) Madras.

Telegraphic Address .....

To

The SECRETARY TO GOVERNMENT,
Development Department,
Fort St. George.

C-2 *No.* 756-41, *dated* 10th October 1941.

Sir,

SUGARCANE ACT - Hospet Controlled area - Minimum price - Notification --

Spare Copies....

Further to my letter No. C-2/756-41 of the 6th instant, I enclose the letter (in original) dated the 4th October 1941 received from the Managing Agent of the India Sugars and Refineries Ltd., Hospet; it was received in my office on the 7th instant. Four points with reference to the draft notification are raised in this letter.

2. (i) The first point is with reference to the different rates of bonus payable over the basic price. The Agent's contention is that the rate of bonus should be calculated on the same principle as the basic price fixed by Government. The sugar factory has not realised that, in fixing the basic price at Rs 8/- per ton the utmost consideration by taking for their basis a low percentage of sugar recovery, viz., 9 for all canes. The percentage of recovery in respect of Coimbatore varieties (plant cane) is 10, while it is not less than 9 in the case of the local Pundia cane -- please see para 4 of this office letter No. C.588/39, dated the 15th September 1939 and Government Memorandum No. 20088-III/39-10, dated the 20th October 1939. It is only the cane brought from the Nizam's Territory (Munirabad and Nagar) that is inferior and gives low recovery due to its inferior quality and to the fact that it is crushed often 4 or 5 days after cutting; the delay in transport to the factory site naturally causes deterioration in the sugar content.

(ii) Therefore, on the basis of 9 percent recovery for local canes in the controlled area, the rate of bonus for every rupee rise in the price of sugar should be 8.6 pies per ton of cane and in the case of foreign varieties 9.6 pies on the basis of 10 percent recovery. I may add for the information of Government that the average percentage of recovery was 9.6 in 1938-39 when the provisions of the Act were enforced in Hospet for the first time. During that year the quantity

quantity of Nizam's State cane crushed was either nil or negligible.

(iii) The sliding scales notified by Government are very favourable to the factory, as they are and should not be reduced.

3. There is no point in the second suggestion to fix a minimum price of Rs 7/- a ton for local (Pundya) cane on the score of its low sucrose and high fibre content. The Managing Agent's version about the unsuitability of this cane this year for sugar manufacture is exaggerated.

4. As regards the third and fourth suggestions about the basis for calculations of sugar prices and the dates which should govern these rates, I have already made my recommendations in para 4 of my letter No. C-2/756-41 dated the 6th October 1941. The period for calculation may be as previously notified, viz., from the date of publication of the notification to 15th June 1942. This is fair and equitable.

I have the honour to be,

Sir,

Your most obedient servant,

for DIRECTOR OF AGRICULTURE.

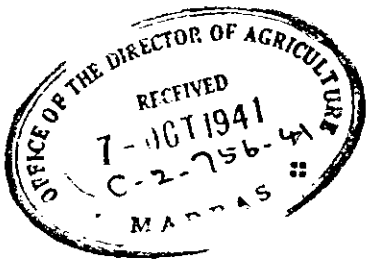
ks/11.x.a.

+35 75

V. RAMALINGAM
MANAGING AGENT.
CODE: "BENTLEY'S"

THE INDIA SUGARS & REFINERIES, LTD.,
FACTORY & REGISTERED OFFICE, HOSPET.
TEL.: "SUGARS"

Camp: Bangalore.
HOSPET, 4th October 1941 193



To.

The Secretary,
Development Department
Government of Madras
Madras.

Through ——— — —

The Director of Agriculture,
Government of Madras
Madras.

pp 43-44 above

Re:Notification under the Sugar Cane Act published in Fort St.George Gazette Extraordinary dated 5th September 1941.

Dear Sir,

p 43 a/m

Referring to para iii of the Draft Notification fixing the rate of bonus we beg to bring the following for your kind consideration.

1. In fixing the minimum price of Rs 8/- per ton of sugar cane corresponding to a sugar price below Rs 180/- and a minimum-price of Rs 8-1-7.2 per ton of sugar cane corresponding to a price of Rs 180/- exclusive of Excise duty, the government have adopted the principle that the cultivator should get 50% of the value of sugar on a recovery of 9. But in fixing the rate of bonus payment at 9.6 pies per rupee rise in the price of sugar the above principle is not followed. We submit that in fixing the bonus rate also the same principle may be continued. According to this principle the bonus rate should be 8.6 pies only.

Canes

8/7/10 10

not a main point

137 71

2. Out of the area under sugar cane cultivation in Hospet, a minor portion is covered by the Pundya variety. It is a well known fact that Pundya variety at best is only for gur making and most unsuited for sugar manufacture on account of its high water and low sucrose fibre contents, and thus we are not interested in crushing this variety. Should the cultivator find it uneconomical to convert it into gur, we will favourably consider to crush this variety if the government fixes Rs 7/- minimum and 6 pies bonus for every rupee rise in sugar price over Rs 180/

new point

3. In as much as the system for cane payment is based on the principle of "Sharing" between the supplier and manufacturer on the price realised by sale of sugar, it is only fair and equitable that such expenses as sales commission and sales tax, the latter being only a temporary measure, are excluded in the same way as the Excise duty is excluded. This we beg to submit is equitable and is in consonance with well established business practice. So we request that in the computation of price realised on rails at Hospet, the sales commission and sales tax should be excluded.

already dealt with

4. The average price of sugar should be calculated from the date of supply of cane,i,e, from the date of crushing, irrespective of the date of Notification.

Yours faithfully,

V Ramalingam

Managing Agent

INDIAN POSTS AND TELEGRAPHS DEPARTMENT

365

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Recd. here at | | | M.

TO

Devonment Madras

Wire approximate

Enquiry Date medium

Dev. Deptl.

Submitted perusal. May be reminded on 20.41, if necessary.

Managing Agent India Sugars & Refineries Ltd Hospet.

14/10

Recd delay fee

Then reply

14/10

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Calcutta

—The name of the Sender, if telegraphed, is written after the text.

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To

Government Press

2 X [illegible] Quality Last week

[illegible] regular Crude dealers

approximately

Sugars

& Sugars submitted for personal

Graphs

Ref

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THE INDIA SUGARS & REFINERIES, LTD.

(Registered Office: Hospet, Bellary District)

V. RAMALINGAM,
Managing Agent,

HOSPET, Bellary Dist.

Codes Used:—Bentley's
Tel: "SUGARS" Hospet.

ASSISTANT SECRETARY TO GOVT. 17 OCT 1941

15th October 1941.

Ref. No... 209

UNDER SECRETARY TO GOVT. 17 OCT 1941 DEVELOPMENT DEPARTMENT

28587

The Secretary,
Development Dept.,
Government of Madras,
Madras.

Dear Sir,

We have telegraphed to you yesterday as follows:-

"EXPERIMENTAL CRUSHING LAST WEEK NOVEMBER REGULAR CRUSHING DECEMBER APPROXIMATELY-SUGARS."

Which we hereby confirm.

Yours faithfully,
For THE INDIA SUGARS & REFINERIES, LTD

Manager.

Tk.

Dev. Dept

(Extracts of note from file regarding) "Indian Sugarcane Act - Hospet controlled area - Fixation of minimum price of cane".

I have seen Mr.Ranganathan. He presses for fixation of prices to be paid to the ryot on an average price basis at the close of the selling season in about September and a ~~here~~ basic price to be paid in the meantime full settlement to be paid when price is finally fixed.

H.M.H.

× × × × 14/7 × ×

A-2's note above obviously applies to the next year. Better extract it in a new file and draft notification on that basis for remarks of D.I and D. A.

C.P.K.

22/7

(C.No. 10988-A/41 - from the Managing Agent, India Sugar and Refineries Ltd., dated 27-7-41.)

With reference to Secretary's orders extracted above a draft Memo. (memos 1 & 2 and Appendix) is submitted for consideration.

2. The petition from the Managing Agent, the India Sugar and Refineries Ltd., Hospet, in the C.P., may be perused. It may be forwarded to the D.I. & C. and the D. A. for remarks. Para 3 of the draft Memo. relates to this.

1-8-41.

9/8

3/8/41

Please put up to me on 13.8.41
I will speak to A2 about this

2.

1/ Mr. Ranganatha Mudaliyar, one of the Directors of the Hospet Sugar Factory, wanted to see Mr about this matter. Mr has agreed to see him on Monday (18th) at 12 noon. I have written to Mr. R. Mudaliyar about this.

2/ We may find out in the meanwhile what system is followed by Ramp', Vijayanagar & Bobbili, and what prices they pay to their ryots for the cane. Probably the information may be available in our press records.

3/ Let me have the file back on Saturday (16th) CAC 13 Aug

A

Letter from the President, Ryots Meeting, Hospet, dated 3/6-8-1941.

pp 13-15 c/f

Copied from pp. 47-2 n.f. in the L.F. (1400 A/41)

Attention is invited to the resolutions of the Sugarcane Growers' Meeting at page 15 c.f.

2. Regarding the first resolution, it is submitted that the Government after mature consideration have revised the prices as revealed by the accounts of the Factory. There seems to be no case to re-open the subject.

para 2 of Secy's note on pp. 23 24 n.f. in the L.F. (1400 A/41).

3. The matter contained in resolutions 2 and 4 is already under the consideration of the Government.

p 15 not found in record before me. (1400 A/41)

4. As regards resolution 3, attention is invited to the Legal Department note on p. 5 n.f. in the linked file and para 1 of the Asst. Secretary's note on pages 10-11 n.f. in the linked file. It is for orders whether any fresh legislation will be undertaken in the matter.

P.A.
13.8.41.
C.P.M.
13.8.41. Prima facie, legislation is desirable.

Control may be rendered nugatory if the factory purchases its requirements from outside the notified area. The cost of transport is no doubt a deterrent but apparently that did not prevent imports of sugarcane during the last crushing season.

T.S.
13.8.

p.130 of.
p.15 of

p. 48 ... ... L.F
(1400 ...)

[The letter of Mr. Ramachandra Rao and the resolutions mainly relate to 1941-42 and should go into the top file.]

C.P.K.
13.8.41.

Submitted with reference to Secretary's orders in paragraph 3 on page 2 above.

2. Secretary's orders in paragraph 2 on page 2 above.

Messrs. Parry & Co., adopted sliding scales based on the price of sugar as noted on page 69 of G.O. No. 28 Dev., dated 6-1-1941, for 1939-40 for different varieties of cane.

(F)

During 1940-41 the Company paid the minimum prices noted at 'A' on page 71 of G.O.No. 28 Dev., dated 6-1- 1941. They have also declared a bonus of 10.1 pies per ton of cane for every rupee rise in the price of sugar above the limits prescribed for the different varieties.

(F)

A ... p 73 g (F)

The D.I. & C. has reported that the present guaranteed rates ~~paid~~ for sugarcane by Messrs. Parry & Co., Ltd., are:-

Co 281 Rs. 10/- per ton.
POJ 2878 9/- "
Co 349 and other varieties - Rs. 8-12-0 per ton.

5 9 (K)
(Routine file)

The Director of Agriculture has reported that the following are the rates paid for sugarcane by the Vuyyuru and Bobbili factories:-

p. 9 g (K)

Vuyyuru factory - varying from Rs.7/- to Rs.9/- per ton.

Bobbili factory - varying from Rs. ~~9~~ 8-8-0 to
(Sri Ram Sugar Mills) Rs. 10-8-0 per ton, according to different varieties of cane

2-1-88

The information regarding the systems adopted by these factories is not available.

D.E 48

16/8

16/8/48

16/8/48

As discussed the matter with Mr. Ranganatha Mudaliar today.

Minimum Cane prices to be paid, B8 (for sugar prices of Rs 240 and below) A

Minimum prices to be paid within 15 days of B
after Completion of delivery

Cane Prices to be fixed in respect of sugar prices of ~~Rs 240 and~~ above Rs 240 — as in the present settlement.

Further payments — ~~etc~~ other than the minimum prices — to be fully paid on settlement of accts on 30th June. 4th ?

Prices ~~shall~~ to be fixed separately for the 2 different varieties — foreign and local — and these varieties shd be defined in the settlement clearly so as to avoid disputes

Draft settlement urgently — today — which D.R. & DD & C may see before circulation.

This must be pushed through at ...

Cdy
16/8

[Orders at page 4 above]

89

Subject to orders a revised draft memorandum and a notification are submitted for approval.

2. Rs.7--8--0 has been adopted as the price per ton of local canes as its price is lower than that of the foreign varieties. As regards the definition of the terms 'foreign varieties' and 'local canes' the D.A. may be requested to submit a draft definition for inclusion in the notification.

3. In the altered circumstances, it does not seem necessary to refer the Managing Agents' letter to the D.A. and D.I.& C. The last para of the original memorandum has therefore been omitted.

A revised draft memo and notification are submitted as orally ordered.

Amended again as orally directed on the lines suggested. The notification as drafted is unobjectionable. The Basic price should not be revised.

A revised draft is submitted for consideration

Discussed with Rr. As words payments the completed not later than 30 days. It is the factory's duty to see the

6 7v

and the D of C. will determine his prices
with up to his factory to produce the a/c of
D of C the time to enable him to do they.

CAS
22/8

The draft notification has been
amended slightly as in accordance
with the Secy. orders.

A. B. to a/c
of te. dr 1.

For orders whether it may issue

MM.
22/8
22/8/40

The notification as drafted is
[illegible] I do not see how it
can be imposed unless [illegible]
to a specified period, say up to 15th June
or 22 nd June, for the calculation of
the average price.

D. 22/8

S

We may adopt 15th June - but the notification
if then published for criticism - we will
examine this again when objections are rec'd.

CAS
22/8

A clean copy the draft is submitted
for approval as ordered.

D. 22/8 am

MM
22/8
22/8/40

p 19-23 c.f. [Memo to the D. A. & D. I. & C.,
No. 19777 A/41-1 dt. 22. 8. 41]

p 24-26 c.f. Letter from the D. I. & C.,
No. nil dated 25. 8. 41.

p 25 26 c.f. The D. I. & C. has sent his reply to the memo. on page 19 above c.f. The D. A. has not yet sent his reply. He may be reminded. A draft T. M. is submitted for approval.

M. 27/8

27/8

27/8/41

p 27 c.f. [T. M. to the D. A., dt. 27-5-1941]

p. 29-30 c.f. Endt. No. 23462 A/41. Letter from the D. A.,
C. No. 756/41 dt. 30-8-1941

The D.I.& C. and the D.A. have sent their remarks on the draft notification on pages 21--23 c. The D.A. has also suggested definitions of the terms "foreign varieites" and "local canes".

p 25-26 c.f. & p. 31 c.f.

2. The D.A. has no remarks to offer on the rates proposed for sugarcane.

remarks on p. 29 c.f.

3. For the reasons stated in paragraph 2 on p. 25 c.f., the D.I & C. has suggested a rate of Rs.8/- per ton of sugarcane for sugar prices below Rs.180/- and Rs.8-1-7.2 per ton of sugarcane for a sugar price of Rs.180/-, with a similar increase in the price of cane for sugar prices over Rs.180/-.

D C 7

He has also given a statement of prices based on his suggestion. If his suggestion is accepted, the price per ton of local varieites of canes will be Rs.0-1-7.2 more than the rates proposed in ~~his~~ the draft notification. For orders whether this proposal will be accepted.

4. For the reasons stated in para 3 on p. 26 c.f. The D.I.& C. has suggested a basic price of Rs.9/- per ton for foreign varieites of cane for a sugar price of Rs.180/- For orders whether this will be accepted.

5. The D.I.& C. has also suggested that it should be made clear in the draft notification that the sugar prices adopted are inclusive of commission to selling agents and sales tax. For orders whether this will be agreed to.

6. For the purpose of arriving at the average price per ton of sugar ex rails at Hospet during the crushing season, the D.I.& C. proposes to obtain statistics from Messrs. Volkart Bros., the selling agents, of the Hospet factory, subject to verification by the auditors of the Company and at its cost. For orders whether the proposal will be approved.

7. For the reasons stated in para 5 on p.30 c.f. the D.A. has proposed that steps should be taken to prevent the factory from importing cane from outside the Presidency. Under the Sugarcane Act, the Provincial Government have no power to impose any restriction on the purchase of cane by the Company from outside the controlled

area.

6/ After orders are passed a revised draft notification will, if necessary, be submitted for approval.

A/

1.5.41.

19/VI

The adoption of a common basic rate for foreign & local cases is both unscientific & inequitable. It is unscientific because it does not fit in with the formula $C = \frac{S \times P}{200}$ on which rates & inequitable because foreign case with a higher percentage & longer will get under the notification the same price as the inferior local case when the price of longer hardcut or below 18/-. This would undoubtedly mean placing a premium on bad class inferior cases, the cultivation of which, we ought to discourage. It seems to me that we can only on purely administrative grounds the Question of the basic rates is inexpedient. The D.I.C's suggestion to adopt 29/- as the basic rate for foreign varieties may be accepted.

8.5.41

S

Rs 8 is the minimum price which the Govt. wish to have guaranteed to the ryots for all cane and ~~approved~~ ~~medium~~ prices.

has no bearing on the price of sugar or any other factor. We may publish the notification with Rs 8/- as the same: for both varieties and may consider the point further if objections are received.

[illegible]

A draft memo and a revised draft notification are submitted for approval. A basic price of Rs. 8/- per ton of sugarcane has been adopted for both foreign and local varieties.

The file may be sent to Legal for scrutiny of the draft notification

[illegible]
2/9/41

Legal

Discussed with D. S. Legal.

Draft notification as modified

It has been found necessary to split up the draft notification originally proposed with two to give legal validity to the conditions now suggested in regard to the payments for sugarcane which have been found on examination to be in consistent with Rule 8 of the Madras Sugar Cane Rules, 1938.

The Legal may be seen again.

[illegible]

Dev. U.O No. 19779/A/41-2
2.9.41.

~~with a limited file.~~

with (1) a limited file.
Dev. Coo. 7400 A/41
& (2) Sugar Cane Act.

ASSISTANT SECRETARY I
5706 C. 5-15 P.M.
2 - SEP 1941
LEGAL DEPARTMENT

95 -11

Legal Department

Draft Notification I.-This is in order.

Draft Notification II.-A provision for penalising a breach of the rule is necessary. Development may consider whether the following paragraph may not be added to the draft rule on the lines of rule 11 of the Madras Sugar-cane Rules, 1938:-

"Whoever commits a breach of this rule shall be punishable with fine not exceeding three hundred rupees and in case of a continuing breach with fine not exceeding fifty rupees for each day during which the breach continues after the first day subject to a maximum of two thousand rupees."

T R 21
3.9.41

Dev.

Dev. Depl.

For orders whether the draft notifications will be ~~~~ approved for publication, with the addition of the ~~ clause regarding the imposition of penalty to notification II.

E + P.H. may also see the case as it is proposed to publish the notifications in an extra-ordinary issue of the ~~~~ Govt. Gt. George Gazette.

4/9

3/9/41

E.P.H.

E&PH

Seen in E&PH

4/9

Dev.

Dev. Dept

The usual T.N. & S.O.P. for the issue of the extraordinary gazette is being issued in S.H.H. separately
4/9/41

For orders whether the draft memo and notifications may issue.

May issue
4/9

S.H.H. No. 34531 P/41-1 Edn
4/9/41

4/9/41.

ASSISTANT SECRETARY TO GOVERNMENT
4 SEP 1941
DEVELOPMENT DEPARTMENT

Submitted. Notification I has been revised as ordered by Secy. in consultation with Legal. Notification II also has been retyped.

If approved, the file may be sent to Legal for acceptance of the notifications.

2391/41

5/9/41

5/9

Legal

Dev. U.O. No. 19777 A/41-4
5.9.41

Legal Department.

The slight alterations indicated in red ink on the draft notifications may be made.

with a few drafting & an Act.

As under section 4 of the Act a notification under section 3 (2) should be published in draft for criticism not less than 30 days before it is issued, the date, 5th October 1941, specified in the preamble to draft Notification I will have to be suitably modified if it is not published today.

ASSISTANT SECRETARY
5779
5 SEP 1941
3.30 P.M.

5.9.41

May issue
5/9

Dev

Legal U.O. 5779-
Draft Gazette and Act

Please submit published today
5/9
3

97 13

pp 33-34 cf. [issued as memo No. 19777 A/41-4 dt 5-9-41]

The gazette extraordinary at pages 43-44 c.f. is submitted for perusal.

7/9/41

8/9 CMH 8/9 41

p 45 cf. From the Supt, Govt Press, No G.F 17.8 dt 8.9.41

[Entire file has been destroyed]

But this does not prohibit the issue of a special supplement.

para 3 on p. 88 cf (N) 13/9

para 3 on p. 33 Dis 29.5.41

p. 45 cf.

para 1 on p 33 cf.

Section 3 on p. 2 of the Act-post-bfs.

para 2 on p. 33 cf

The issue of general supplements to district gazettes containing the republications of the notifications published in the Fort St. George Gazette, have been abolished. The notifications on pages 43-44 c.f. have not therefore been published in the Bellary Dist. Gazette as directed.

2. The publication of the notifications in the district gazettes is not a statutory requirement. The collector of Bellary and the D.A. have been asked to instruct their district staff to give publicity to the notifications. No further action seems called for. For orders

13/9. M.

The issue of a Special Supplement as a normal feature has been discontinued. I do not see any reason why

CH 98

To be kept back with the Director's
& Collr's immediate Reps &
issue a Special Supplement

8..1/9

Collr
Tirthahalli

A draft memo is submitted for
approval. Specimen Sup. Ik. need not be sent

15/9.

for D.S. (Mkt.)

15/9/41.

[Issued as memo No. 19777 A/41-5 dt 15-9-41.] p. 47 ok

No. 26504A/41. From Sri J Chandrappa, Ryot p 49 ok
Association, Kamalapur, Hospet Taluk.

dt 20-9-41.

The proceedings on pages 51-52 c.f. are
submitted for perusal.

2. A copy of the proceedings on pages 51-52 c.f.
has been sent to the D.A. His remarks × A on p 52 c.f.
may be awaited till 8-10-1941.

8..30/9

28/9/41

No. 26523A/41. Petition from the ryots of Hospet area, dated nil. ryots' petn.

The petition copy of petition on pages 53-55 c.f.
is submitted for perusal

For perusal. Res' report need.
8..1/10 Can issue if pertinent.

2/10/41.

99 15

DEVELOPMENT DEPARTMENT.

1. Mr. A.Ranganatha Mudaliar saw A.2 today on behalf of the Factory and raised the following objections in regard to our notification:-

(1). that the basic price of Rs.8/- is too high in regard to local varieties of cane;

(2) that the rates of 9.6 pies and 8.6 pies for every rupee (by which the average price of sugar exceeds Rs.180/-) are too high as compared with the rates adopted in the previous year and that the rates should be the same as were adopted in the previous year and should be the same also in respect of both the varieties of the cane;

p 389 of (F) — G.O.No. 49 Dev. dt. 1.A1

D

(3) that the prices of sugar cane prescribed should apply only to purchases made up to 15-6-42 and not to purchases between that date and 30_6-42 as proposed in the notification;

(4) that the prices to be fixed should apply to purchases made not only up to a certain date but also from a certain date and that this earlier date should also be specified; and

(5) that the sales tax and commission to selling agents should be excluded in the calculation of average price of sugar realised on rails at Hospet.

2. A.2 suggested that, subject to further examination, Rs.7-12-0 may be the minimum price for local variety canes and Rs.8/- for foreign variety canes. Mr.Ranganatha Mudaliar suggested that any lowering of the minimum in respect of local variety will not cause great hardship to the ryots because the bulk of the purchases is of foreign variety. This has to be examined further.

3. Objection(2) is to be examined.

100

4 Objection 3 was granted by A.2.

5 Objection 4.- A.2 suggested that the earlier date should be 1st December.

Objection 5.- A.2 agreed that sales tax may be excluded from the average price on rails at Hospet but not the commission to selling agents.

7 Please examine quickly. I will discuss the minimum prices and the rates of increase with the Director of Agriculture.

Com
4.45 pm

Development Department.

#57-59 c.f. From the Registrar of Co-operative Societies, D.O.No. 8447/41 C dated 1-10-41.

#63-64 c.f. From the D.A., C-2 No.756/41 dated 6-10-41.

This file relates to the proposal for the fixation of a minimum price for sugarcane in Hospet controlled area in the Hospet taluk of the Bellary District.

2. In the draft notifications on pages 43-44 c.f. it was proposed

(1) to fix the price per ton of sugarcane purchased in the Hospet controlled area for the use of a factory, from *the date of publication of the notification till 30--6--1942 at

(a) a basic minimum of Rs.8/- for all varieties.

(b) a minimum of Rs.8/- per ton if the average price per ton of white sugar f.o.r Hospet from the date of publication of the notification till *15--6--42, is below Rs.180/- exclusive of excise duty but inclusive of commission to selling agents and sales tax.

(c) a minimum of Rs.8-1-7.2 if such average price is Rs.180/- and

(d) at rates calculated at 9.6 pies for each ton of foreign varieties of canes and at 8.6 pies for every ton of local canes for every rupee by which such average price of sugar is in excess of Rs.180/- per ton.

(2) (a) that the payment of the basic minimum price for all sugarcane purchased should be made within fifteen days after the completion of the delivery of the sugarcane in the factory; and

(b) that any excess over and above the basic minimum price should be paid not later than 30-6-1942.

2. Objections and suggestions were invited to the proposals and the D.A. was asked to forward them with his remarks. The D.A. has submitted the objections and suggestions with his remarks.

pages 63--70 c.f. The Regr. of Co-operative Societies and the D.A. also went to Hospet and met

18/102

the sugarcane growers and president of the Ryots Association at an informal conference on 17th and 18th ~~Sept~~ ~~Sept~~ Sept. 1941. The R.C.S. also has offered remarks on some of the suggestions and objections to the draft notification and has suggested a scheme for dealing with ~~sugarcane price problem in Hospet area -- pp. 57--59 c.f.~~ sugarcane price problem in Hospet area -- pp.57--59 c.f.

Sri A.Ranganatha Mudaliar also interviewed the Second Adviser on 4-10-1941 and made certain suggestions -- pp.15--16 ~~a.f.~~ above.

3. The objections raised and suggestions made are detailed below:--

(1) The Kamalapur ryots have suggested that the figures of cost of production of cane supplied by the cane growers should be taken into consideration in fixing the price.

(2) The Kamalapur ryots have stated that the rates proposed by the Government are too low and have suggested that the basic minimum price per ton of sugarcane should be raised from Rs.8/ to Rs.9/-and the Ryots of Hospet have suggested ~~xxxx~~ an increased ffom Rs.8/- to Rs.10/- with a share in the rise in the price of sugar or a flat rate of Rs.12--8--0. Sri A.Ranganatha Mudaliar has however objected to the basic price of Rs.8/- proposed by the Govt. in respect of the local canes.

(3) Sri A.Ranganatha Mudaliar has stated ~~xxxxx~~

(a) that the rates of increase of 8.6 pies for local canes and 9.6 pies for foreign varieties are too high and that a uniform rate of 8.6 pies should be adopted for both varieties as in last year.

(b) that the prices proposed should be made applicable only to purchases made up to 15--6--1942, and not up to 30--6--1942 as proposed.

(c) that the date from which the rates of prices are to be enforced should also be specified and

(d) that sales tax and commission to selling agents should be excluded in the calculation of average price of sugar.

(4) The ryots have suggested that the excise duty should be included in the selling price of sugar as in last year, that is, the basic price of cane should be calculated on Rs.240/- per ton instead of Rs.180/-

~~duty shoul~~

(5) The ryots have suggested that the import

of cane
/by the factory from outside the controlled area should be prohibited.

(6) The Hospet ryots have suggested that the payment for cane may be made every week ending with Sunday, on the following Wednesday, the amount to be paid being the basic price plus approximately half of the increase based on the rise in the average price of sugar or one rupee.

Another suggestion is that the payment should be made within 24 hours after weighment.

(7) In the determination of the average price of sugar, the price of sugar sold to the Hospet bazaar should also be taken into consideration along with the rate f.o.r. Hospet.

(8) The Govt. should advocate means whereby the cane suppliers might know easily the correct wieghment of canes and the average sale price, the Hospet ryots have suggested putting up of automatic weigh bridges.

These are noted on below:--

4. Item (1) in para 3 on p. 18 above.

The D.A. has not offered any remarks on the suggestion. There is no recognised organisation of sugarcane growers whose figures can be relied upon. For orders whether the suggestion will be pursued.

5. Item (2) in para 3 on p. 18 above.

The R.C.S. and D.A. consider the basic minimum price of Rs.8/- per ton as fair. For orders whether the suggestion for increasing the basic price will be considered.

Sri A.Ranganatha Mudaliar has represented that the basic price of Rs.8/- per ton for local canes is too high. The Second Adviser considers that the basic minimum price for local canes may (subject to further examination) be fixed at Rs.7-12-0 per ton and that for the foreign varieties at Rs.8/- per ton. The basic price adopted last year works out to Rs.8--1--8 per ton for a sugar price of Rs.240/- including excise duty or Rs 180/- excluding excise duty. This rate was applicable to both the local and foreign varieties. The basic

price of Rs.7-12-0 for the local varieties should be of advantage to the factory. It has however been reported that the area under local canes is small and that nearly 80% of the area under sugarcane in the Hospet area represents improved Coimbatore varieties and that only 20% is cultivated with local varieties. B on p. 98; (F) See below

For orders whether the basic minimum price for the local canes will be fixed at Rs.7-12-0.

6. Item (3)(a) in para 3 on page 18 above.

Last year the rate of increase for every rupee rise in the price of sugar worked out to 8.6 pies and this rate was adopted for both varieties. The rate of increase proposed for the ensuing season is 8.6 pies for local canes and 9.6 pies for foreign varieties. The rate of increase proposed for the foreign varieties is thus more this year by one pie for every rupee rise in the price of sugar than in last year. It may be mentioned that the foreign varieties are said to have a higher percentage of sugar recovery than the local canes. It is for orders whether a uniform rate of increase of 8.6 pies will be adopted for the foreign varieties also, for every rupee rise in the price of sugar. A on p. 43 c.l. see below.

7. Item (3)(b) in para 3 on p. 18 above.

The Second Adviser has agreed to this in the interview with Sri A. Ranganatha Mudaliar. para 1(3) on p. 15 and para 4 on p. 16 c.l.

8. Item (3)(c) in para 3 on p. 18 above.

According to the preliminary notification the rates of prices will take effect from the date of publication of the notification. The Second Adviser suggested at the interview that the rate may be made applicable from 1-12-1941 onwards. The Managing Agent of the Hospet factory has been asked to wire the date when the crushing season begins. For orders whether the

date when the crushing season begins or 1-12-1941, whichever is earlier will be adopted for enforcing the rates of prices.

9. Item(3)(d) in para 3 on p. 18 above:-

The Second Adviser has at the interview agreed that sales tax may be excluded for purposes of calculating the average price, but not the Commission to selling agents.

10. Item (4) in para 3 on p. 18 above.

This would make no difference to the ryot. ~~report~~ For orders whether this will be ignored.

11. Item(5) in para 3 on pp. 18-19 above.

There is no provision in the Sugarcane Act × for imposing restriction on the purchase of cane by the factory from outside the controlled area. Perhaps it is unnecessary to introduce any such restriction. For orders.

12. Item(6) in para 3 on p. 19 above.

According to sub-rule (1) of rule 8 of the Madras Sugarcane Rules, 1938, all payments for sugarcane purchased for a sugar factory shall be made within 24 hours of weighment if so demanded by the vendor. But according to the rule on p. 44 c.f. the basic minimum price should be paid within 15 days after the completion of delivery of the sugarcane in the factory and any excess over and above basic price should be paid not later than 30-6-1942. Both the R.C.S. and the D.A. (*) have recommended the suggestion at A on p 19 above. The D.A. has suggested that the basic minimum price for all sugarcane purchased in a week ending Saturday should be generally paid not later than the following Wednesday and in any case not later than 10 days after the completion of the delivery of cane. He is not in favour of the

× R on p. 58 c.f.

(*) para 5 on p. 64 c.f.

D on p. 64 c.f.

suggestion ~~as~~ that anything in excess over the basic minimum price should be paid immediately. It is also not practicable as the average price will be known only after 15--6--1942. The factory authorities are reported to have no objection to make payments within 24 hours of supply. For orders whether the suggestion of the D.A. will be accepted.

para 6 on p. 56.

P on p. 58 c.
Re modification does not mention any particular objection to modification is received
Calls 9.11/40

13. Item (7) in para 3 on p. 19 above.

The R.C.S. and the D.A. are of the view that the suggestion may be agreed to. ~~The factory is reported to be agreeable to it.~~ It has been reported that the factory did not seem to oppose it. For orders whether it will be accepted.

A on p. 58 c.
Cf para 4 on p. 63 c
A on p. 58 c.

The suggestion is not to increase the wholesale price we must distinguish between the retail & wholesale price of sugar. The Hospet Bazar price will in all probability be the retail price - which will be a little more than the wholesale price. ~~There is also the point to be considered.~~ Hospet is a ~~factory~~ town & it may pay the factory to lick sugar cheap in this restricted market to keep down the average price. The suggestion is therefore unnecessary & should be rejected.
9.11/40

14. Item (8) in para 3 on p. 19 above.

The D.A. has not offered any remarks on this. Apparently he does not consider it necessary.

This may be considered separately if urgency arises while the factory is working.
9.11/40 Calls

15. In his D.O. letter on pp. 57--59 c.f. the R.C.S. has suggested a scheme for:

A on p. 57 c.

(1) the declaration of the Hospet Sale Society as a licensed dealer for the supply of sugarcane to the Hospet Sugar Factory from within the Hospet Controlled area;

D on p. 57 c.

(2) the constitution of a special committee to manage the affairs of the society;

E on p. 57 c. & B on p. 57 c.

(3) the extension of credit facilities and

(4) the constitution of another committee consisting of the Sub Collector, Hospet, the District Agricultural Officer, Bellary and the Deputy Registrar of Co-operative Societies, Anantapur, for fixing the price of sugarcane.

para 1 on p. 1.57-58 c.

The crushing season for the current year is fast approaching and it seems too late to consider all the implications of the scheme and to give effect to it in the current year itself.

Some of the suggestions of the ryots relate to that scheme. The D.A. has reported that he is taking action on them in consultation with the R.C.S. It may be considered on receipt in this department in a separate file.

Perhaps appropriate.

11/10

Calls

10/10/41.

10/11 x/40

The Sort would have been perfectly justified in fixing the basic price of Cane at Rs 9/- for foreign & Rs 8/- for local on the basis of the formula $C = \frac{S \times P}{200}$ where C is the rate per ton of Cane S, the selling price of Sugar per ton & P, the percentage of Recovery of Sugar. The fixing of the basic price for foreign Cane at Rs 8/- is in itself a very considerable Concession to the factory. The factory should not be allowed to have it both ways. No formal representations have been received from the factory protesting against the notified rates. Apparently the factory is satisfied.

A Sugar Cane with a higher Sugar Content should as fairness select a higher price. An increase of 9.6 pies for every higher unit in the price of Sugar in respect of foreign Cane & 8.6 pies in respect of local Cane is not only reasonable but just. To Create the prices of the two varieties under all conditions would be to remove the inducement to grow

Letter received No 75-77 Cf

DC 521

2-h

108

Imported Varieties. Subject to the limits in which Govt. has already taken a decision, Govt would confirm the notification.

S 11/10

Letter from the ~~D.A.~~, C. 2 No. 756/41 dt 10.10.41. ph 73-74 c.f.

The Director of Agriculture, has since submitted with his remarks the objections raised by the Managing Agent of the India Sugars and Refineries Ltd., Hospet, dated 4-10-1941 and received by him on 7-10-1941. ph 73-74 c.f. ph 75-77 c.f.

Four objections have been raised by the Managing Agent and they are noted on below:--

(1) The rate of increase in the price of foreign varieties of sugarcane should be fixed at 8.6 pies ~~per~~ for every rupee rise in the price of sugar. para 1 on p 75 c.f.

This has been noted on in paragraph 6 on page 20 above.

(2) The basic minimum price for the Pundya (local) variety of canes should be fixed at Rs.7/- per ton and the rate of increase should be fixed at 6 pies for every rupee rise in the price of sugar. para 2 on p 77 c.f.

Please see paragraph 3 on page 74 c.f.

The D.A. is not for considering the suggestion. Please also see paras 5 and 6 on pp. 19--20 above.

Referred with the D.A. S. 13/10

(3) Sales Commission and Sales Tax should be excluded in computing the average price of sugar. para 3 on p 77 c.f.

This has been noted on in paragraph 9 on page 21 above.

(4) The average price of sugar should be para 4 on p. 77 c.f.

calculated from the date of crushing irrespective of the date of notification.

According to explanation 2 contained in the draft notification, the average price of sugar is to be based on the price during the period from the date of publication of the notification till 15-6-42. The D.A. considers this fair and equitable. It is for orders whether the suggestion of the Managing Agent will be accepted.

As first and second Govt. Directors have already been considered. The first three suggestions have already been considered. This involves the second suggestion as the commencement of the crushing season will more or less synchronise with the issue of the final notification.

S.O. 13/10

S

The crushing will begin at the end of November. We may accept. 1.12.41.

As regards the minimum price, A2's point was that in order to encourage the production of the better quality cane, the price for it should be higher than that for the inferior quality. Strictly, the minimum prices should have been

26 Hon.
110

Rs 8-1-8 for the superior and Rs 9 for the better quality. But we fixed Rs. 8 as a minimum price at the request of the factory (represented by Mr. Ranganatha Mudaliar). Nearly 80% of the cane supplied is of the better quality and. ryots may not lose very much if the minimum price is reduced to Rs 7-12-0, as suggested by A2, for the lower quality cane which represents only 20% of the supplies. The loss to the ryots may amount to about Rs 2000. But as strictly the difference between the two varieties of cane should be marked by an increase of the rate for the better quality over Rs 8, it may not be quite fair to the ryots to pull down the rate for the inferior quality. Considering all the circumstances, I would suggest for orders that we keep Rs 8/- as the minimum rate ~~for~~ for both as provided for in the draft notice.

⊗ Total supply 40,00 Cr (cane) 20% : 8,000 Cr at-4 of: 2000 Rs a ton

The other points ~~in~~ may be decided as indicated in the note above (from p. 17).

17.10.24

A2

10.10

R. 23-10-24

Revise notifies.

7.4.1924

With reference to the orders on page 26 above, a draft order and a notification are submitted for approval.

The file may be sent to Legal for scrutiny after the notification.

S. 28/10

Pn. 27/10/41
27/X/Lee

Legal

Dev. U.O. No. 19777/A/41-5
28/10/41
(with Sugarcane Accn.)

Legal Department.

The draft notification is in order subject to the alterations indicated thereon in red ink.

IR 91
29.10.41

S Rao 29/10/41

Legal No 7034E1
29-10-41.

DW

Dev. Dept.

For orders whether the draft notification as amended by Legal order may issue.

May issue

S 1/11 CMM T.I.M.

Pn. 31/10/41
31/X/Lee

ASSISTANT SECRETARY TO GOVERNMENT
31 OCT 1941
DEVELOPMENT DEPARTMENT

[G.O. No. 2014 Dev dt 3.11.41]

29927

Received 31/10/41

C.F. 17.

DRAFT FOR APPROVAL.

DEVELOPMENT DEPARTMENT.

	Date	Initials.
When received for fair copying.	30/3 4/4	
When copied ...		
When examined...		
When signed ...		
When despatched.		

SUBJECT :—

Acts and Rules - Sugarcane Act - Hospet control area - Fixation of price of sugarcane 1941-42 - Notification - Issued.

READ AGIAN G.O.No. 29 (MS) Dev., dated 6-1-1941. (F)

" " ——— " ——— 19

READ *ALSO* :—

No. 19771/41 From the D-A., C2 No. 758-41, dated 10-10-1941.

" ——— " ——— " ——— " ——— 19

" ——— " ——— " ——— " ——— 19

Order ~~Resolution~~ Ms. No. 2614, dated 3/11/41 19

pp. 43-44 (1)

Despatched 3-11-41

pp 43-44 (1)

pp 3 4 inclw

G.O. 2 imp. 387 (F)

1-41 imp

In Development Department Notification No.608, dated 5-9-1941 published in the Fort St.George Gazette Extraordinary, dated 5-9-1941, the Government of Madras published under section 4 of the Sugarcane Act, a draft notification fixing the price of sugarcane in the controlled area of the Hospet revenue taluk of the Bellary district. His Excellency the Governor of Madras, has considered the objections or suggestions received and is hereby pleased to confirm the notification as amended and appended to this Order. It will be published in the Fort St. George and Bellary dist. Gazettes.

2. The Director of Agriculture is requested to instruct the Collector of Bellary to bring the contents of the notification to the notice of the District Revenue Agricultural Officer, Bellary and staff in Hospet taluk for the information of the ryots in

important sugarcane areas in the Hospet taluk.

To the Supdt., Government Press
for publication of the notification in the F.S.G.G.

To the D.A.
To the D.I.& C.
To the Collector of Bellary
for publication in the Bellary District Gazette
To the Registrar of C.S.
Copy to the Board of Revenue.

Enclosure: Notification.

Appendix

Notification.

In exercise of the powers conferred by sub-section (2) of section 3 of the Sugarcane Act, 1934 (XV of 1934) a after previous publication as required by section 4 of the said Act, and in supersession of Development Department Notification No.31, dated 6th January 1941, published at page 65 of Part I o the Fort St.George Gazette, dated 14th January 1941, His Excellency the Gover of Madras is hereby pleased, to fix, wi effect on and from 1st December 1941 Rs.8/- p ton as the basic minimum price for the purchase of sugarcane (all varieties) the controlled area of the Hospet reve taluk of the Bellary district, such sug cane being intended for use in a facto as defined in the said Act and to dire that--

(i) when the average price per ton of white sugar (otherwise known as Aska sugar) as determined and [illegible] the manner explained below is below Rs. the minimum price for the purchase of sugarcane (all varieties) in the controlled area in respect of sugarcane purchased not lat than the 15th June 1942 for use in a factor shall be Rs.8/- per ton,

(ii) when the average price per ton of white sugar as determined and notified in the manner explained below Rs.180, the minimum price for the purcha of sugarcane (all varieties) in the controlled area in respect of sugarcane purchased not lat than the 15th June 1942 for use in a

factory shall be Rs.8-1-7.2 per ton; and

(iii) when the average price per ton of white sugar as determined and notified in the manner explained below exceeds Rs.180, an amount calculated at 9.6 pies for each ton of foreign varieties of canes and 8.6 pies for each ton of local canes for every rupee by which the average price of white sugar is in excess of Rs.180 shall be fully paid in addition to the minimum price specified in clause (ii) in respect of every ton of foreign varieties of canes or local canes, as the case may be, purchased not later than the 15th June 1942 for use in a factory.

The payments to be made on every ton of foreign varieties of canes and local canes shall be as detailed in columns (2) and (3) respectively of the Schedule below for the average price per ton of white sugar noted in column (1) of the said Schedule.

Explanation - (1) The minimum price specified is for delivery of sugarcane at the factory.

(2) The average price of white sugar shall be the average price realised on rails at Hospet for one ton of white sugar excluding excise duty and sales tax, but including commission to selling agents during the period commencing on and from the 1st December 1941 till the 15th June 1942.

(3) The average price of white sugar shall be determined and published by the Director of Industries and Commerce under his authority at the office of the Tahsildar, Hospet.

Schedule.

excluding

including

SCHEDULE.

Price per ton of white sugar ~~exclusive of~~ excise duty ~~but inclusive of~~ commission to selling agents and sales tax.	Foreign varieties (all Coimbatore varieties such as Co. 290, 413, 281, 419, etc., and introduced varieties like POJ 2878 Fiji B, etc.	Local varieties (Bilai Kabbu and Hottai Kabbu).
(1)	(2)	(3)
RS.	RS. A. P.	RS. A. P.
Below 180	8 0 0	8 0 0
180	8 1 7·2	8 1 7·2
181	8 2 4·8	8 2 3·8
182	8 3 2·4	8 3 0·4
183	8 4 0	8 3 9
184	8 4 9·6	8 4 5·6
185	8 5 7·2	8 5 2·2
186	8 6 4·8	8 5 10·8
187	8 7 2·4	8 6 7·4
188	8 8 0	8 7 4
189	8 8 9·6	8 8 0·6
190	8 9 7·2	8 8 9·2
191	8 10 4·8	8 9 5·8
102	8 11 2·4	8 10 2·4
193	8 12 0	8 10 11
194	8 12 9·6	8 11 7·6
195	8 13 7·2	8 12 4·2
196	8 14 4·8	8 13 0·8
197	8 15 2·4	8 13 9·4
198	9 0 0	8 14 6
199	9 0 9·6	8 15 2·6
200	9 1 7·2	8 15 11·2
	and so on.	and so on.

27/10/41

27/x/41

1.11.41

Fixation of minimum prices for the purchase of sugarcane in the Hospet controlled area.

Fort St. George, November 3, 1941
(*G.O. Ms. No.* 2014, *Development*).

No. 784.

In exercise of the powers conferred by sub-section (2) of section 3 of the Sugarcane Act, 1934 (XV of 1934), and in supersession of Development Department Notification No. 31, dated 6th January 1941, published at page 65 of Part I of the *Fort St. George Gazette*, dated the 14th January 1941, His Excellency the Governor of Madras is hereby pleased, after previous publication as required by section 4 of the said Act, to fix, with effect on and from 1st December 1941, Rs. 8 per ton as the basic minimum price for the purchase of sugarcane (all varieties) in the controlled area of the Hospet revenue taluk of the Bellary district, such sugarcane being intended for use in a factory as defined in the said Act and to direct that—

(i) when the average price per ton of white sugar (otherwise known as Aska sugar) as determined and notified in the manner explained below is below Rs. 180 the minimum price for the purchase of sugarcane (all varieties) in the controlled area in respect of sugarcane purchased not later than the 15th June 1942 for use in a factory shall be Rs. 8 per ton ;

(ii) when the average price per ton of white sugar as determined and notified in the manner explained below is Rs. 180 the minimum price for the purchase of sugarcane (all varieties) in the controlled area in respect of sugarcane purchased not later than the 15th June 1942 for use in a factory shall be Rs. 8-1-7·2 per ton ; and

(iii) when the average price per ton of white sugar as determined and notified in the manner explained below exceeds Rs. 180 an amount calculated at 9·6 pies for each ton of foreign varieties of canes and 8·6 pies for each ton of local canes for every rupee by which the average price of white sugar is in excess of Rs. 180 shall be fully paid in addition to the minimum price specified in clause (ii) in respect of every ton of foreign varieties of canes or local canes, as the case may be, purchased not later than the 15th June 1942 for use in a factory.

The payments to be made on every ton of foreign varieties of canes and local canes shall be as detailed in columns (2) and (3) respectively of the schedule below for the average price per ton of white sugar noted in column (1) of the said schedule.

Explanation.—(1) The minimum price specified is for delivery of sugarcane at the factory.

(2) The average price of white sugar shall be the average price realized on rails at Hospet for one ton of white sugar excluding excise duty and sales tax, but including commission to selling agents during the period commencing on and from the 1st December 1941 till the 15th June 1942.

(3) The average price of white sugar shall be determined and published by the Director of Industries and Commerce under his authority at the office of the Tahsildar, Hospet.

SCHEDULE.

Price per ton of white sugar excluding excise duty and sales tax but including commission to selling agents.	Foreign varieties (all Coimbatore varieties such as Co. 290, 413, 281, 419, etc., and introduced varieties like POJ 2878; Fiji B, etc).	Local varieties (Bilai Kabbu and Hottai Kabbu).
(1)	(2)	(3)
RS.	RS. A. P.	RS. A. P.
Below—180	8 0 0	0
180	8 1 7·2	8 1 7·2
181	8 2 4·8	8 2 3·8
182	8 3 2·4	8 3 0·4
183	8 4 0	8 3 9
184	8 4 9·6	8 4 5·6
185	8 5 7·2	8 5 2·2
186	8 6 4·8	8 5 10·8
187	8 7 2·4	8 6 7·4
188	8 8 0	8 7 4
189	8 8 9·6	8 8 0·6
190	8 9 7·2	8 8 9·2
191	8 10 4·8	8 9 5·8
192	8 11 2·4	8 10 2·4
193	8 12 0	8 10 11
194	8 12 9·6	8 11 7·6
195	8 13 7·2	8 12 4·2
196	8 14 4·8	8 13 0·8
197	8 15 2·4	8 13 9·4
198	9 0 0	8 14 6
199	9 0 9·6	8 15 2·6
200	9 1 7·2	8 15 11·2
	and so on.	and so on.

C. P. KARUNAKARA MENON,
Secretary to Government.

(C)

~~Development Dept.~~

Extracts of notes from Letter No. 28830-D/40, dated 1st March 1941 regarding recommendations of the Indian Sugar Conference.

~~The suggestions above are for orders~~. About cane prices we may be seemingly inconsistent in supporting the proposal of the D.I. & C. to pay a minimum price first and to pay a bonus at the end of the season, because in the case of Hospet we have adopted a sliding scale of price to be paid immediately on delivery of the cane, based on the current price of sugar, and no bonus at the end. The Hospet case is special and we adopted the sliding scale which both the Factory and the growers agreed to and we merely ratified that scale. The minimum in this sliding scale - Rs. 7-4-0 is too low* as an initial advance, if the ryots are to wait for the bonus till the end of the year. This treatment of Hospet as a special case in the special circumstances need not prevent us from accepting the D.I. & C's suggestion about cane prices as a general proposition. Even accepting this generalproposition, the Provincial Government will still have discretion to make a departure, should local circumstances necessitate such a course.

C.P.K.
18:2.41.

H.M.H.
20.2.

121 - L

Dev. Dept.

Routine file

(K)

Special

T.M.

To

The D-A.
D. 9 tc.

Re.

Please turnround D.A. forthw immediate reply.
DA. 5/8/41
Reminded @ 15.8.41 2.30

Subject:- Sugar Cane - Prices

Please state at once

(1) the basis on which sugar cane is purchased by the Vizyanagaram and Bobbili factories;

(2) the rates of prices they paid the ryots for the cane during 1940-41; and

(3) the rate of prices ~~which~~ which Messrs Parrys Ltd., and the Vizyanagaram and Bobbili factories propose to fix as cane prices for the cane during 1941-42.

P.C.
Rd.
12/14/8

Agreed
Reg. int
11.0
11.20
12/8
1918

8. 18/8

Note Please see para 2 of Secy's. note on p. 2 nf. Messrs Parrys Ltd. pay a minimum price for the cane at the

time of purchase and a bonus at
the close of the crushing season. Information
regarding the prices paid by them during
1939-40 and 1940-41 are at
pages 67-73 of G.O.No. 28 Dev. Dept
B.I. A1. No information is available
in regard to the other factories.
Draft T. M. overleaf is for approval.

(F)

13/8

19-
13/8/41.

C.F. 30

OFFICE OF THE .....

Date 14.8.194/, Hours 3 Minutes 5

TELEPHONIC MESSAGE

123

From The D S & B

To the Dy. Secy. to Govt. Govt. Dept.

Sub. Prices - Sugercane. F.10 Volume

Ref. your T-M^d dated

I have addressed the manufacturers concerned for the necessary information as it is not available in my office. I will communicate it to you immediately after receipt.

14.8.41

Reply.

The information is required by the

S.cy. requires to file
his affidavit by

morning of the 16th instant [redacted] to
obtain the required information
by wire if necessary.

14/8

Issue P.C.
today

14/8

P.C. despatched
by
14/8/14

Returned
16.8.14
11.0

125

ASSISTANT SECRETARY TO GOVERNMENT
16 AUG 1941
DEVELOPMENT DEPARTMENT

Office of the Director of Industries and Commerce,
M a d r a s, dated 16th August 1941.

Post copy of telephonic message.

From: The Director of Industries and Commerce,
To: The Deputy-Secretary to Government,
Development Department.
21992 Dated: 16th August 1941.

--

Subjec: Sugarcane - Rates at which purchased by certain factories.
Reference: Your T.M. dated 13th August 1941.

--

The Vuyyuru and Bobbili factories have been asked to furnish the required information by wire but have not yet done so. As regards the Nellikuppam factory of Messrs: Parry and Co.Ltd., the ryots receive 54 per cent of the price realised for sugar on rails Nellikuppam after deducting excise duty. They are guaranteed the following minimum prices delivered at factory.

CO.281	Rs.10 per ton.
POJ2878	Rs.9 ,,
CO.349 and other varieties	Rs.8-12-0 ,,

Director of Industries and Commerce.

G.M.

127

Office of the Director of Industries and
Commerce, Madras, dated 16th August 1941.

--

Post Copy of Telephonic Message, dated 16th August 1941.

--

21993

From the Director of Industries & Commerce, Madras.

To the Deputy Secretary to Government, Development Department.

--

Subject:- Sugarcane - Prices.
Reference:- My telephonic message of this morning.

--

I have just received a wire from the Vuyyuru factory to the effect that they are sending me a detailed report by post today.

Director of Industries & Commerce.

TELEPHONIC MESSAGE BY POST.

129

From
The Director of Agriculture,
Madras.

To
The Deputy Secretary to Government, Development Department, Fort St. George, Madras.

Madras, dated 14th August 1941

2194

Sub: Sugarcane - Prices - Rates fixed: p. 1 above

Ref: Your telephonic message dated 14th August 1941.

The prices paid by the Vuyyur and Bobbili Factories for the 1940-41 season are reported to be as follows:

Vuyyur Factory: Varying from Rs 7/- to Rs 9/- per ton of cane.

Bobbili Factory: (Sri Rama Sugar Mills).

Variety.		Crop.	Price fixed per ton.
Co. 313 and Co. 281.	..	Ratoon crop.	Rs 9 8 0
Do.	..	Plant crop.	10 8 0
Co. 213.	..	Ratoon "	8 8 0
Do.	..	Plant "	9 8 0
Co. 421	..	Ratoon "	9 0 0
Do.	..	Plant "	0 0 0
Co. 419	..	Ratoon "	8 8 0
Do.	..	Plant "	9 8 0

2. Information on the other points is not available in this office and is being called for urgently.

for DIRECTOR OF AGRICULTURE.

KS/15-8.

Special

ASSISTANT SECRETARY TO GOVERNMENT
18 AUG 1941
DEVELOPMENT DEPARTMENT

Read 12.15 P.M.

131 c/41

Office of the Director of Industries and Commerce,
Madras, dated 18th August 1941.

22311

Post copy of telephonic message dated 18th August 1941.

--

From: The Director of Industries and Commerce,
To: The Deputy Secretary to Government,
Development Department.

Subject: Sugar Cane Rates.

--

In continuation of my Telephonic message of the 16th August, I enclose copies of letters I have just received from The Sri Rama Sugar Mills Ltd., Bobbili and The Vuyyuru Cooperative Agricultural Industrial and Credit Society Ltd., Vuyyur. It will be seen that neither of these factories has yet fixed their cane buying rates for the 1941-42 crushing season.

982-4 abcd

Director of Industries and Commerce.

G.N.

P.T.O.

A
12-132

Copy of letter dated 16th August 1941 from
The Sri Rama Sugar Mills Ltd., Bobbili.

--

We beg to submit the following details.

Variety of cane.	Rate per ton of cane	
	Plant cane	Ratoon.
Co.213	Rs. 9 8 0	8 8 0
Co.313	10 8 0	9 8 0
Co.419	9 8 0	8 8 0
Co.421	10 0 0	9 0 0
Co.281	10 8 0	9 8 0

--

Regarding prices for cane for the coming season 1941-42 we wish to state that the matter has not been taken up as our Secretary is away from the Head-quarters.

--

Copy of letter dated the 15th August 1941 from the Vuyyuru Cooperative Agricultural, Industrial and Credit Society Ltd., Vuyyuru.

--

Subject: Sugarcane - prices - 1940-41 and 1941-42
Ref: Your letter Ref. S.No.41-1 dated 14-8-1941.

..

We have the pleasure to furnish you with the following information:

i. The Board of Directors resolved to purchase cane last year on the following basis:

Variety of cane	Acreage under variety.	Expected yield per acre. Tons.	Total tonnage expected.	Total amount payable. Rate Rs	Value Rs
Co.313	280	20	5,600	9	50,400
" 419	2,200	25	55,000	8	4,40,000
" 421 & POJ 2878	300	25	7,500	8	60,000
Co.243	1,820	20	36,400	7	2,54,800
	4,600		1,04,500		8,05,200

(Average price per ton works out at Rs 7-9-9)

In fixing these prices, the minimum price of sugarcane fixed in U.P. and Bihar at Rs 0-4-6 per maund and three pies cess, was kept in view. In these two provinces, the price of cane per ton worked out to Rs 8-0-3.

In 1939-40, the recovery of sugar in the society's factory was 8.14 per cent, while the average was 9.37 per cent. The low recovery in the society's factory was, of course, due to the cultivation of Co.243, a very inferior variety of sugarcane. So a low price was fixed for it with a view to discourage its cultivation. Therefore, on the basis of the sugar content of the cane, the price fixed was more than that in U.P. and that proposed to be paid by any other factory in this Province.

The Board also resolved to pay the cane suppliers a sum of 55% in proportion to the tonnage supplied by them, on the price of sugar realised over Rs 18/- per bag of 2 cwts. excluding Excise duty.

ii. The rates paid by us during the year 1940-41 are:--

Co.243.	Rs 7-0-0 per ton
Co.419 " 421 POJ.2878	8-0-0 per ton
Co.313.	9-0-0 per ton

delivered at our factory. In addition to the above, the cane suppliers are to be paid a sum of 55% on the price of sugar realised over Rs 18/- per bag of 2 cwts. excluding Excise Duty, in proportion to the cane supplied by each member.

So far over three-fourths of the production of sugar during the last season, has been sold and the actual amount payable to the growers can only be ascertained after the balance is sold. It is, however, estimated that the figure will be in the region of Re.1/- per ton.

iii. No prices have been fixed as yet for the season 1941-42. The question will be taken up about a month before the season commences and decided on the then existing market and other conditions.

--

varieties of canes during the season 1940-41.

	Plant	Ratoon
Co. 281	10- 8- 0	9- 8- 0
Co. 313	10- 8- 0	9- 8- 0
Co. 421	10- 0- 0	9- 0- 0
Co. 213	9- 8- 0	8- 0- 0
Co. 419	9- 8- 0	8- 8- 0

3. During the coming season, i.e., 1941-42 the price of sugar may be about Rs. 20-0-0 per bag of 1½ Cwts and we propose to pay Re. 1-0-0 more per ton of sugar cane than last season's prices.

In the coming season, i.e., 1941-42 we intend starting crushing operations some time during the 3rd week of October 1941, owing to the greatly increased area under sugarcane cultivation. As the monsoon has been a failure and in view of the fact that the sucrose contents of the sugarcanes will be comparatively low during the months of October and November, we anticipate to work at a loss during the period. However, in consideration of the fact that we anticipate a fairly long crushing season we hope to be able to pay more for the canes during the 1941-42 season than what we paid last year.

ASSISTANT SECRETARY TO GOVERNMENT
23 AUG 1941
DEVELOPMENT DEPARTMENT

23463

Office of the Director of Industries and Commerce, Madras,
Dated 22nd August 1941.

13

Post copy of Telephonic Message, dated 22nd August 1941.

From the Director of Industries and Commerce, Madras.

To the Deputy Secretary to Government, Development Department.

Sub: Sugarcane rates.-

In continuation of my Telephonic Message of the 18th August, I enclose a copy of a letter received today from the Sri Rama Sugar Mills Ltd. Bobbili from which it will be seen that the factory proposes to pay during the 1941-42 season Re.1-0-0 more per ton for sugarcane than during the 1940-41 season.

22/8/41
for Director of Industries and Commerce.

Copy of letter No.F.23/40-41, dated 20th August 1941 from the Sri Rama Sugar Mills, Ltd., Bobbili.-

In continuation of our letter dated 16th August 1941 we beg to give below the information required by you.

1. To some extent we take the prevailing price of sugar as the bas/ for purchasing sugarcane for our factories.

2. The following are the rates which we paid for the different

ASSISTANT SECRETARY TO GOVERNMENT
28 AUG 1941
DEVELOPMENT DEPARTMENT

137

Office of the Director of Agriculture,
Madras, Dated the 27th August 1941.

TELEPHONIC MESSAGE BY POST

From The Director of Agriculture, M a d r a s.

To The Deputy Secretary to Government, Development Department.

Sub: SUGARCANE - Prices - Rates fixed.

Ref: Your telephonic message dated 14th August 1941.

In continuation of my telephonic message dated 14th August 1941, the following additional information is furnished:--

(1) Regarding the basis on which sugarcane was purchased by the Vuyyur factory in the 40--41 season, the factory states that the minimum price paid in United Provinces and Bihar (where it worked out at - Rs. 8-0-3 per ton) was kept in view. The actual rates were:

Co. 243 -- Rs. 7/2 per ton

Co. 419)
421) .. Rs. 8/- per ton
POJ- 2878)

Co. 313 Rs. 9/- per ton

In addition to the above, the cane suppliers are to be paid a sum of 55% on the price of sugar realised over Rs. 18/- per bag of 2 cwts. excluding excise duty. So far over three fourths of the production of sugar during the last season has been sold and the actual amount

payable to the growers will be known after the balance is sold. The factory estimates that extra payment will be about Re. 1/- per ton.

The Bobbili factory reports that the prevailing price of sugar is taken as the basis "to some extent" in fixing the price of cane.

(2) The Vuyyur factory reports that prices for the 41-42 season have not been fixed and that the question will be taken up about a month before the season commences and will be decided with reference to the then existing market and other conditions.

The Bobbili factory has also not fixed their prices for the ensuing season which they say will be done a fortnight before the commencement of the season.

I enclose a copy of Messrs. Parry & Company's notification issued in December 1940 announcing the prices at which they will purchase cane for their Nellikuppam factory during 1941--42.

for DIRECTOR OF AGRICULTURE.

N.R. 27-8.

141 AUG 16 1941 MADRAS.

bonus ~~will~~ ~~be~~ be added to minimum prices.

~~Co.2811~~ 10.1 pies per ton cane for every rupee rise in the price of sugar above Rs 189-13--0 per ton.

~~COJ.2878~~ 10.1 pies per ton cane for every rupee rise in the price of sugar above Rs 170-13--4 per ton

~~Co.349~~ 10.1 pies per ton cane for every rupee rise in the price of sugar above Rs 166--1--5 per ton

Proportionate bonus will be paid on every part of a rupee rise in the price of sugar above the prices stated above.

The price of Sugar means the average price realised on rails Nellikuppam for 1 ton White Sugar between 1st January 1942 and 30th September 1942 after deduction of Excise Duty at the rate or rates ruling between these dates.

For general information the price realised for sugar during the 1940 Bonus period was as follows.

Rs.263-14-11 per ton.

The current price of sugar is Rs.209--0--0 per ton.

The prices announced above will apply only to the produce of those ryots who make a responsible offer to supply sugarcane by:

1. Submitting their offers to supply sugarcane on the prescribed form which is available in the Company's Cane Office at Nellikuppam, and

2. Obtaining the Company's letter of acceptance of their offers

The Company will not consider any offer at the above prices after the required area has been registered in its books.

Sd, C. J. Templeman
General Manager,
E.I.D. & S.F.Ltd.

Nellikuppam,
2 - 12 - 1940.

A Ranganadhan

4th November, 1941.

143

H. M. Hood Esq., I.C.S.
Adviser to Government,
Madras.

30680

My dear Mr. Hood,

You may remember that, before I started making any representation about the cane price in Hospet area, I submitted to you that I was doing so in my individual capacity and that if the orders of the Government were in my opinion fair and reasonable I would loyally work for their acceptance by the factory and roots and if the board of management of the factory differed from me I would give up my place in it, and work for the carrying out of your final notification. In my humble opinion, my efforts have not been fruitless but the Managing Agent of the factory Mr. Ramalingha mudaliar. apparently thinks otherwise now and threatens me that he will write to the Government that my views do not represent the views of the company which I at no time pretended they did. I have written to him that he will be presuming too much, if he thought that the Government cannot consult anybody they like or hear anybody's representations they want to, without his knowledge or consent. I have also told him that in order to avoid delay and save him trouble, I am communicating his views, to the govt. I give below a true extract from his letter relating to what I have said above.

" Regarding your interview with the Government officials on matters relating to India sugars, I have found, to the great cost of the company, that your representations on behalf of the company have proved detrimental to its interests and I cannot but say that that the method adopted by you is most unconstitutional, especially when some of our views are at variance. If you do not please desist from this practice and write to me to that effect by return I shallbe constrained to the painful necessity of writing to the Government, that your views do not represent the views of the company."

I shall take an early opportunity of meeting you. Meanwhile I request that the govt will be pleased not to attach undue importance to Mr Ramalingam's outburst but decline to

P.T.O

safeguard the interests of the company and its shareholders and the regd

With kind regards

Yours sincerely

Manmohan

144

D.O.No.844/41-M.

Office of the Registrar
of Co-operative Societies,
Madras, 4th Novr. 1941.

30679

My dear Karunakara Menon,

Sub: Sugar-cane - Hospet area - fixation of minimum prices.

With reference to our telephonic conversation yesterday, I have since instructed the Deputy Registrar, Anantapur, to go ahead with the scheme proposed at the ryots' meeting held on 19-9-1941 and to see that the Hospet Sale Society takes steps to implement the resolutions passed then.

Yours sincerely,

S. A. Venkataraman

Sri Rao Bahadur
C.P.Karunakara Menon,
Secretary to Government,
Development Department,
Fort St.George.

Dev. Dept

May be filed with G.O.No. 2014 Dev dt 3.11.41.